



1953

A proposal to restudy school district budget procedure in California

Robert Lee
University of the Pacific

Follow this and additional works at: https://scholarlycommons.pacific.edu/uop_etds



Part of the [Education Commons](#)

Recommended Citation

Lee, Robert. (1953). *A proposal to restudy school district budget procedure in California*. University of the Pacific, Thesis. https://scholarlycommons.pacific.edu/uop_etds/1230

This Thesis is brought to you for free and open access by the Graduate School at Scholarly Commons. It has been accepted for inclusion in University of the Pacific Theses and Dissertations by an authorized administrator of Scholarly Commons. For more information, please contact mgibney@pacific.edu.

A PROPOSAL TO REESTUDY SCHOOL DISTRICT BUDGET
PROCEDURE IN CALIFORNIA

A Thesis

Presented to

the Faculty of the Department of Education
College of the Pacific

18100

1953

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts

by

Robert Lee

January 1953

TABLE OF CONTENTS

CHAPTER	PAGE
I. INTRODUCTION	1
Informal statement of problem	1
Complexity of problem	2
Formal statement of problem	5
Organization of thesis	5
II. PRIOR RESEARCH	7
Dissertation by Doctor Frank M. Wright	7
Dissimilar aspects of the two studies	11
III. METHOD AND PROCEDURE	15
The interview	15
The questionnaire	16
To school district trustees	19
To county superintendents of schools	23
To school principals and school district superintendents	27
Survey of public concern with assessment practices	30
IV. THE QUESTIONNAIRE AND THE BUDGET	31
The budget form	31
Responsibility for budget construction	36

	111
CHAPTER	PAGE
The transmittal schedule	39
Report of county superintendents	42
Report of trustees	43
Report of school district administrators . .	44
Fictitious budget meetings	45
Budgetary timing	45
Accounting procedure	49
V. ASSESSMENT PRACTICES AND SCHOOL BUDGETS	53
An assessment story from the San Francisco	
Chronicle	53
Assessment stories from the Stockton Record .	56
Six counties ordered to increase assessed	
valuations	67
VI. SUMMARY AND CONCLUSION	72
Summary	72
Conclusion	76
BIBLIOGRAPHY	79
APPENDIX	83

CHAPTER I

INTRODUCTION

How can school district budget procedure in California be improved?

This thesis submits evidence indicating a need for improved practices in many areas directly connected with school district budgets. Problems involved are shown to be extremely complex, and from the facts presented the study concludes that there can be no simple, piecemeal solution.

However, this thesis does present a simple approach to a solution of the problem, and indicates that this approach seems to offer the one method that may lead to success in solving the problem.

The proposal is that a comprehensive, well-financed study of all areas related to school budgeting may be made by a committee created by state legislative or executive authority. This committee should give representation to the many interests involved, should be given sufficient time to complete a most careful study, and should be specifically empowered to recommend legislation.

Do school budget procedures need revising or improving?

An affirmative answer to this question was required or this study could not be justified. This thesis

documents as a fact that there is widespread dissatisfaction among school officials with current budget procedure. It explores the causes of discontent, and presents evidence that it has developed out of inherent weaknesses in budget practice which stem from complex economic and legal circumstances that frequently make it difficult, and sometimes seemingly impossible, for a school district to construct a budget in an efficient and completely legal manner.

A school budget is concerned with more than a simple compilation of figures, and the balancing of items of income and expenditure. Involved are confusing problems of assessment practices, equalization formulas, local and state tax procedures, legal deadlines, and public hearings.

The governor of the state, the legislature, and the courts; state departments of finance, public works, and education; the state board of equalization; county assessors, tax collectors, auditors, district attorneys, and county counsels, boards of supervisors, and superintendents of schools; governing boards of school districts, school district principals and superintendents; and all who come to a public budget hearing may be legally concerned with the adoption of a school district budget.

Strands of the budget web reach out in many areas to form a complex legal pattern.

Historically, attempts to solve the problem have been by piecemeal methods. The public generally has looked to educators and to the state legislature for a solution.

An expanding school population has in recent years created many new budget problems of constantly increasing complexity.

The method of solving a problem through committee action has a long and successful history. Our national constitution resulted from the deliberations of such a group.

Somewhat comparable committees have recently studied a variety of problems of state-wide interest.¹

At the school district level, citizens' committees have served many useful purposes. The January, 1952, issue of The School Executive was devoted almost exclusively to the topic, "Citizens Organize For Better Schools."

The opening paragraph of a letter from Earl J. McGrath, United States Commissioner of Education, read:

¹ Copy of a letter by James H. Oakley, Executive Secretary to Governor Earl Warren, listing committees, Appendix, page 84.

My heartiest congratulations on your decision to devote an entire issue of THE SCHOOL EXECUTIVE to the subject of 'Citizen Participation in the Schools.' One of the most encouraging developments of the past few years has been the tremendous growth of citizen interest in matters of education, and the organization of that interest to make action effective.²

A common criticism of school officials is that they believe that only educators, or a particular classification of educators, should attempt to solve school problems.

Two county superintendents of schools reflected that trend of thinking in replying to a questionnaire used in this study. One stated:

County superintendents of schools are largely responsible for the making of school budgets and it would appear to me that any committee or group responsible for recommendations on a revised budget form should be chiefly composed of them.

The second superintendent indicated, by answering "No," that he would not be in favor of a study of budget problems by such a committee as is proposed in this thesis. Below his answer, however, he typed this comment: "If the committee were to be composed of competent school administrators the answer would be 'yes.'"

However, in replying to the same question, 125 school administrators and superintendents out of the 138 who returned questionnaires gave support to the idea of

² The School Executive, Vol. LXXI (January, 1952), 39.

appointing a committee to pool the resources of all interested groups in seeking a solution to the school budget problem.

Preliminary examination established the need for a solution to the budget problem. Formally stated the thesis problem reads:

How may the problems of school district budgeting in California be solved through a comprehensive study of all related fields, made by a committee giving representation to all interested groups, the committee to be appointed and financed by the State of California, with instructions to recommend and prepare legislation?

This thesis presents no other solution. It is strictly delimited to submitting evidence that there is need for an over-all study, and to identifying areas that should come within the scope of the study.

No solutions are suggested, except insofar as a possible solution is referred to in order to isolate an aspect of the budget problem that should receive the attention of the proposed committee.

Six chapters are used in developing this thesis.

Chapter II is devoted to prior research. The chapter presents a review of the one previous study in the field, and indicates that this thesis differs from that study in five specific aspects.

Chapter III describes the method and procedure followed in developing this study. Briefly these were: interviews; questionnaires sent to two hundred school district trustees, one hundred school district administrators, and fifty-six county school superintendents; and a survey of public concern with assessment practices as measured by the amount of newspaper space devoted to assessment practices which affect school district budgets.

Chapter IV and V present the findings of the study. Chapter IV is largely concerned with an analysis of the 253 replies received to the questionnaires, and in comparing these results with the conclusions of previous research. Chapter V is an analysis of school budget problems involved in the implications contained in newspaper stories dealing with assessment practices that affect school districts.

Chapter VI briefly summarizes the study and presents the single thesis conclusion that committee action offers the one most promising avenue to a solution of school district budget problems.

CHAPTER II

PRIOR RESEARCH

There is a scarcity of literature dealing with the field of school district budgets. Textbook discussions are generally brief and inadequate.

The November, 1947, issue of The School Executive published a series of articles on school budgeting written by eight selected authorities. Taken together these eight articles present perhaps as clear a statement as is to be found in the generalized field of theory and practice in school budget construction.

However, one specialized study has recently been completed that is of great value in analyzing school district budget procedure in California.

"The Administration of California School District Budgets," by Frank Moore Wright, an unpublished Doctor's dissertation completed at the University of Southern California in 1950, is an indispensable source of information concerning school budget procedures in California.

Doctor Wright's dissertation and this thesis may at first appear to be parallel studies. However, fundamental differences will be pointed out later in this chapter.

Doctor Wright, Associate Superintendent and Chief, Division of Public School Administration in the California State Department of Education, by virtue of his office, was strategically placed to carry out a comprehensive study.

He reviewed the meager literature in the field, analyzed hundreds of school district budgets filed with the State Department of Education, prepared detailed questionnaires that were submitted to the fifty-eight county school superintendents and to the sixty-three city school superintendents of the state, analyzed their replies, and secured legal interpretations of code provisions from the Administrative Adviser to the State Department of Education.

Reviewed in outline form, Doctor Wright's study:

1. Found that, contrary to legal authority, county school superintendents were preparing most of the budgets for the smaller school districts of the state.¹

2. Held that:

The provision which requires the Superintendent of Public Instruction to prescribe the budget forms rather than to have a form prescribed by law is considered a good practice.²

¹ Frank M. Wright, "The Administration of California School District Budgets," (unpublished Doctor's dissertation, Library, The University of Southern California, 1950), p. 22.

² Loc. cit.

3. Expressed confidence that an increasing number of larger school districts are keeping adequate financial records, but acknowledged that there are still many districts that keep inadequate records, ". . .and many which keep none at all."³

4. Conceded that, unfortunately, common practice in budget construction gives a measure of justification to a satirical definition that states: "A school district budget is a compilation of figures designed and arranged to guarantee a maximum tax rate."⁴

5. Reported that replies from 23.4 per cent of the city superintendents and 39.1 per cent of the county superintendents indicated that revised statements of assessed valuations for the new fiscal year were not available until after budgets were adopted in August.⁵

6. Disclosed that larger school districts generally administer affairs in closer harmony with provisions of the Education Code than do smaller districts.⁶

7. Concluded that information of increased assessments is sometimes purposely withheld from school

³ Ibid., p. 63.

⁴ Ibid., p. 184.

⁵ Ibid., pp. 182-184.

⁶ Ibid., p. 220.

officials as illustrated in the following quotation:

. . . about half of the county superintendents believed that the taxing and assessing officials deliberately withheld information regarding assessed valuations in order to keep from the districts knowledge of increases which may have incurred for the succeeding fiscal year.⁷

A summarized list of Doctor Wright's recommendations include the following:

1. A provision in the Education Code requiring tax officials to notify school districts of changes in assessed valuations by June 1.
2. Revision of the budget act, to:
 - a. Require submission of the preliminary budget by the school district to the county superintendent of schools on or before March 1.
 - b. Eliminate the budget meeting held on or between July 15 and July 20.
 - c. Remove all tax limitations applicable to school districts.⁸

Doctor Wright's study provides source material that should be available to any committee studying school district budgets.

⁷ Ibid., p. 235.

⁸ Ibid., pp. 240-244.

Many of his recommendations were incorporated in a bill introduced in the 1951 session of the California State Legislature. Only minor technical changes remained in the bill when it eventually became law.

Dissimilar aspects of two studies. This thesis differs from Doctor Wright's dissertation in five main respects:

1. Doctor Wright's study reflects to a large extent the point of view of large city systems, while this thesis is planned to present a grass-roots' viewpoint.

Doctor Wright indicated in his study that there are over one thousand seven hundred school districts in California which employ fewer than eight teachers.⁹

In his research, Doctor Wright did not secure any opinions directly from these school districts.

On the other hand, this thesis includes tabulated replies from trustees in fifty-four school districts employing from three to seven teachers. It also includes replies from trustees in sixty-one school districts employing eight or more teachers. Many of these sixty-one represented replies coming from small towns and cities.

⁹ Ibid., p. 16.

Replies were also received from ninety school district administrators. Some of these also represented the comparatively small or average school district.

2. The replies Doctor Wright received from county superintendents and, to a lesser extent, from city superintendents, may have been colored because of the official relationship existing between his office and that of the respective respondents.

County superintendents are sometimes described as assistant state superintendents. As such they become responsible to the State Department of Education. The fact that the replies to Doctor Wright's questionnaire were signed statements may also have contributed an added incentive to color the reports.

Realizing these conditions, Doctor Wright promised that his study, ". . . would not be used to criticize or cause embarrassment to any county superintendent of schools. . . ."10

Nonetheless, county and city superintendents may have failed to acknowledge practices that might place under question the legal correctness of any of their official acts.

10 Ibid., p. 8.

In contrast, the questionnaires used in this thesis were unsigned, except in those cases where respondents chose to sign them. Furthermore, no official relationship existed between the respondents and the author of the questionnaire.

However, any reply to a questionnaire involving the admission of legal evasions and irregularities is apt to contain a degree of understatement.

A reply by a county superintendent of schools to the questionnaire used in this thesis stated that his office had been able to meet every legal deadline involved in the budget transmittal schedule, but a signed reply from a school administrator postmarked on the same day from the same county seat indicated that the county superintendent had failed to return his school budget to the school district by the July 20 deadline.

3. Doctor Wright assumed that the budget form constitutes no real problem.¹¹

This thesis, however, offers strong evidence of dissatisfaction with the budget instrument.

¹¹ Ibid., p. 22.

4. Doctor Wright's study was not directly concerned with the problems developing out of differing assessment practices among the several counties of the state. This thesis accepts the problem as one of major importance to be solved by such a committee as is herein proposed.

5. Doctor Wright's research was concerned with administration of school district budgets. His recommendations were specific rather than general.

This thesis is concerned with all problems relating to school budgets. It concludes that the problems involved are too complex to respond to the specific recommendations of any single group, and that an adequate solution can only be reached through a generalized study by a comprehensive committee.

CHAPTER III

METHOD AND PROCEDURE

Anyone who has worked recently with school budgets has probably sensed a feeling of dissatisfaction upon the part of many persons working with them in the generalized field of school budgeting.

The feeling is so general and so readily apparent that it scarcely needs documentation.

A desire to explore the causes of thus unrest led to this study. Four research techniques were used in the progression of this thesis:

1. A review of the literature in the field.
2. Interviews.
3. Questionnaires.
4. A survey of public concern in the field of assessment practices.

The first research technique, that of reviewing the literature in the field, was fully discussed in Chapter II.

The second research technique, the interview, influenced every phase of this study from inception to the final drafting of this document.

The first probing questions were directed to school administrators in informal discussions. Their answers provided a background that was modified and changed in the

light of continuing discussions.

All interviews were informal and no records of them were kept. The purpose was to secure a wide and unprejudiced point of view. Included were discussions with two county assessors, a county counsel, two county school superintendents, several staff members in the offices of county superintendents, many school administrators, several trustees, a newspaper publisher, many lay persons, and, of course, discussions with the members of the thesis committee who gave direction and guidance in the development of this research problem.

A third research technique used was the questionnaire.

Questionnaires, together with letters of transmittal, were mailed to two hundred school trustees; to the fifty-six county school superintendents having jurisdiction over more than one school district; and to one hundred school administrators serving in districts employing eight or more teachers.

In each case, letters of transmittal were designed to be provocative. This was purposely done in the hope that the letters would provoke replies.

Respondents were requested not to sign questionnaires. This was to give complete freedom in the expression of

convictions, without fear of possible reprisal.

An attempt was made to secure a typical cross section of opinion. Questionnaires were mailed to fifty counties, and to school districts of various sizes and types, including: regular elementary school districts, high school districts, junior college districts, city elementary school districts, and unified school districts.

Questionnaires to trustees were printed in two colors. Pink forms were sent to one hundred trustees in one hundred school districts employing from three to seven teachers. Identical questionnaires printed on blue forms were mailed to one hundred trustees in one hundred school districts employing eight or more teachers.

This division was used because school districts employing eight or more teachers may, and usually do, employ a district superintendent.¹

Replies were received from fifty-four trustees of the smaller school districts and from sixty-one trustees of the school districts employing eight or more teachers. In all, 57.5 per cent of the trustees filled out the questionnaires and returned them.

¹ Education Code of California (Sacramento: California State Department of Education, Printing Division), Section 1301.

The following documents appear consecutively on pages 19 through 22:

1. The letter of transmittal to trustees.
2. A pink questionnaire form.
3. A blue questionnaire form.
4. The tabulated replies of the trustees.

Questionnaires were mailed to fifty-six county school superintendents, and forty-eight replies were received in time to be tabulated. This constituted a reply by 85.7 per cent of the county superintendents.

The following documents appear consecutively on pages 23 through 25:

1. The letter of transmittal to the county school superintendents.
2. The questionnaire form.
3. The tabulated replies of the county superintendents.

Questionnaires were mailed to one hundred school principals and school district superintendents, and replies were received from ninety.

The following documents appear consecutively on pages 27 through 29:

1. The letter of transmittal to the school administrators.

1102 Sierra Drive
Turlock, California
January 28, 1952

Dear Trustee:

As you well know school district budgets have become involved and intricate. Only one page was required a few years ago for a school budget form. Now a full budget is 14 pages long.

The thought may have come to you as you prepared last year's budget, that this whole field related to school district budgets needs restudying and reworking.

I am a superintendent of an elementary school district. Year after year, I have watched budget procedures become increasingly muddled. This is only in part due to growth and inflation. Patchwork legislation is also to blame.

The money we spend is public money. The budget is a plan for spending money. The public has a right to expect efficiency. But efficient planning is quite difficult when trustees are required to guess at income. We guess at assessed valuations, and therefore at tax yields. We even guess at the intentions of a state legislature that may delay school appropriations until seconds before adjournment.

It has been estimated that school districts contract to spend 90 percent of their income prior to making the preliminary budget in June. Teachers contracts are issued, other personnel employed, and orders placed for next year's supplies, frequently before the first of May. Yet the final school budget is not completed until the first week in August.

Budget problems reach out into the fields of assessment practices, tax collections, and legislation. Desirable changes in school budget procedure could easily affect county auditors, and the county board of supervisors.

That is why this study maintains that the school budget problem is too involved to be solved piecemeal. This study suggests that a solution can only come out of a well financed study participated in by all interested parties and agencies. It proposes that a committee be appointed by legislative or executive authority, that it be directed to make a thorough study of all problems in any way affected, and that it be instructed to propose corrective legislation.

To discover what trustees think about present procedures, I am sending this letter to trustees in 200 school districts. Other letters are going to 100 school principals and to the 56 county superintendents having supervision over more than one school district.

Hugh P. Donnelly, chairman of the State Senate committee on Education, and a near neighbor, has expressed interest in this study and has asked that I keep him informed.

With the fervent hope that this study may aid in correcting a bad situation, I submit the enclosed questionnaire, and add a very warm and personal "Thank You" for your reply.

Respectfully submitted,

Robert Lee

Return one copy to:
ROBERT LEE
1102 Sierra Drive, Turlock

QUESTIONNAIRE TO 200 SCHOOL DISTRICT TRUSTEES

This questionnaire is designed to discover what trustees think about the way school budgets are now made, and to invite criticism and suggestions for improved methods.

Please do not sign.

Check one answer

1. Do you feel that present budget forms are too long? Yes ☐ No ☐
2. Do budget forms appear so technical and complicated that they are becoming too difficult for the average person to work with intelligently? Yes ☐ No ☐

Legally, the county superintendent and the district cooperate to make a budget. The county gives advice and indicates what funds will be available. Trustees consider this, but make final decisions.

3. Who would you say was most influential in making your last school budget, the county office or the school district trustees? County Office ☐ Trustees ☐
4. On or before July 1, a PRELIMINARY budget must be sent to the county office. In your district who prepared the first rough draft of this budget?
Clerk of Board ☐ Principal or Dist. Supt. ☐ County office ☐ School Board at Regular Meeting ☐ Trustees or Principal in Conference with County Office ☐

Legally, the school code provides for a rigid schedule of deadlines, with the budget rushed back and forth between the county and the school district. Actually, the schedule is not always followed.

5. Did your district carry out all the following steps prior to July 1:
(a) Hold an official meeting at which a PRELIMINARY budget was adopted? Yes ☐ No ☐
(b) Record the action in the minutes? Yes ☐ No ☐
(c) Send the budget to the county office by July 1? Yes ☐ No ☐
6. Did the county superintendent return the budget to the district, with his suggestions, on or before July 15? Yes ☐ No ☐
7. Did your board meet again prior to July 20 and do all the following things:
(a) Hold an official meeting to consider the county's recommendations? Yes ☐ No ☐
(b) Adopt a budget, now called a PUBLICATION budget? Yes ☐ No ☐
(c) Record the action in the minutes? Yes ☐ No ☐
(d) Return the budget to the county by July 20? Yes ☐ No ☐
8. Do you feel that all these steps are necessary? Yes ☐ No ☐
9. Does your principal or district superintendent regularly attend school board meetings? Yes ☐ No ☐
10. In addition to the stubs in your warrant books, does some one in the district keep books on all financial transactions? Yes ☐ No ☐

USE THE BACK OF THIS SHEET FOR SUGGESTIONS AND COMMENTS

Return one copy to:
ROBERT LEE
1102 Sierra Drive, Turlock

QUESTIONNAIRE TO 200 SCHOOL DISTRICT TRUSTEES

This questionnaire is designed to discover what trustees think about the way school budgets are now made, and to invite criticism and suggestions for improved methods.

Please do not sign.

Check one answer

1. Do you feel that present budget forms are too long? Yes ☐ No ☐
2. Do budget forms appear so technical and complicated that they are becoming too difficult for the average person to work with intelligently? Yes ☐ No ☐

Legally, the county superintendent and the district cooperate to make a budget. The county gives advice and indicates what funds will be available. Trustees consider this, but make final decisions.

3. Who would you say was most influential in making your last school budget, the county office or the school district trustees? County Office ☐ Trustees ☐

4. On or before July 1, a PRELIMINARY budget must be sent to the county office. In your district who prepared the first rough draft of this budget?

Clerk of Board ☐ Principal or Dist. Supt. ☐ County office ☐ School Board at Regular Meeting ☐ Trustees or Principal in Conference with County Office ☐

Legally, the school code provides for a rigid schedule of deadlines, with the budget rushed back and forth between the county and the school district. Actually, the schedule is not always followed.

5. Did your district carry out all the following steps prior to July 1:
- (a) Hold an official meeting at which a PRELIMINARY budget was adopted? Yes ☐ No ☐
- (b) Record the action in the minutes? Yes ☐ No ☐
- (c) Send the budget to the county office by July 1? Yes ☐ No ☐

6. Did the county superintendent return the budget to the district, with his suggestions, on or before July 15? Yes ☐ No ☐

7. Did your board meet again prior to July 20 and do all the following things:
- (a) Hold an official meeting to consider the county's recommendations? Yes ☐ No ☐
- (b) Adopt a budget, now called a PUBLICATION budget? Yes ☐ No ☐
- (c) Record the action in the minutes? Yes ☐ No ☐
- (d) Return the budget to the county by July 20? Yes ☐ No ☐

8. Do you feel that all these steps are necessary? Yes ☐ No ☐

9. Does your principal or district superintendent regularly attend school board meetings? Yes ☐ No ☐

10. In addition to the stubs in your warrant books, does some one in the district keep books on all financial transactions? Yes ☐ No ☐

USE THE BACK OF THIS SHEET FOR SUGGESTIONS AND COMMENTS

REPLIES TO A QUESTIONNAIRE **SENT TO 200 CALIFORNIA SCHOOL DISTRICT TRUSTEES**

This questionnaire designed to discover what California school district trustees think about the way in which school district budgets are now made was sent to 200 California school district trustees. Paper of two colors was used in order that a separate compilation could be made for the replies of trustees in small school districts. Fifty-four replies were received from 100 questionnaires mailed to trustees serving in districts employing from three to seven teachers. Sixty-one replies were received from questionnaires sent to 100 trustees in school districts that employ eight or more teachers and that are therefore entitled to employ a district superintendent. An attempt was made in the latter case to secure a typical cross section as to type and size of district. The survey included elementary school districts, high school districts and unified school districts, scattered in fifty counties. Comments were invited.

Replies from:
Sixty-one large
school districts

Fifty-four small
school districts

- | | | |
|--|-----------------|-----------------|
| 1. Do you feel that present budget forms are too long? | Yes 42 No 17 | Yes 44 No 10 |
| 2. Do budget forms appear so technical and complicated that they are becoming too difficult for the average person to work with intelligently? | Yes 46 No 14 | Yes 42 No 10 |

Legally, the county superintendent and the district cooperate to make a budget. The county gives advice and indicates what funds will be available. Trustees consider this, but make final decisions.

- | | | |
|---|------------------------------------|------------------------------------|
| 3. Who would you say was most influential in making your last school budget, the county office or the school district trustees? | County
Office 12 Trustees 43 | County
Office 23 Trustees 29 |
|---|------------------------------------|------------------------------------|

Trustees in Large Districts

4. On or before July 1, a PRELIMINARY budget must be sent to the county office. In your district who prepared the first rough draft of this budget?

Clerk of Board—0	Principal or Dist. Supt.—47	County office—0	School Board at Regular Meeting—6	Trustees or Principal in Conference with County Office—2
---------------------	--------------------------------	--------------------	--------------------------------------	--

Trustees in Small Districts

4. On or before July 1, a PRELIMINARY budget must be sent to the county office. In your district who prepared the first rough draft of this budget?

Clerk of Board—10	Principal or Dist. Supt.—6	County Office—3	School Board at Regular Meeting—18	Trustees or Principal in Conference with County office—13
----------------------	-------------------------------	--------------------	---------------------------------------	---

Legally, the school code provides for a rigid schedule of deadlines, with the budget rushed back and forth between the county and the school district. Actually, the schedule is not always followed.

- | | | |
|---|-----------------|-----------------|
| 5. Did your district carry out all the following steps prior to July 1: | | |
| (a) Hold an official meeting at which a PRELIMINARY budget was adopted? | Yes 59 No 2 | Yes 44 No 8 |
| (b) Record the action in the minutes? | Yes 59 No 2 | Yes 42 No 10 |
| (c) Send the budget to the county office by July 1? | Yes 61 No 0 | Yes 47 No 3 |
| 6. Did the county superintendent return the budget to the district, with his suggestions, on or before July 15? | Yes 47 No 8 | Yes 42 No 8 |
| 7. Did your board meet again prior to July 20 and do all the following things: | | |
| (a) Hold an official meeting to consider the county's recommendations? | Yes 45 No 0 | Yes 33 No 17 |
| (b) Adopt a budget, now called a PUBLICATION budget? | Yes 54 No 5 | Yes 38 No 10 |
| (c) Record the action in the minutes? | Yes 56 No 5 | Yes 38 No 12 |
| (d) Return the budget to the county by July 20? | Yes 52 No 7 | Yes 40 No 8 |
| 8. Do you feel that all these steps are necessary? | Yes 15 No 44 | Yes 10 No 42 |
| 9. Does your principal or district superintendent regularly attend school board meetings? | Yes 61 No 0 | Yes 37 No 17 |
| 10. In addition to the stubs in your warrant books, does some one in the district keep books on all financial transactions? | Yes 51 No 9 | Yes 36 No 17 |

ROBERT LEE, Superintendent
P. O. Box 408
Telephone 4-5869

TRUSTEES:
G. Edwin Washburn, President
Quaile R. Norton, Clerk
W. F. Garlough

TURLOCK ELEMENTARY SCHOOLS
TURLOCK, CALIFORNIA

January 23, 1952

Dear County School Superintendent:

Last summer as you worked overtime on school budgets the thought may have come to you that this entire field needs restudying.

We guess at assessed valuations. We even guess at intentions of a state legislature, that may delay school appropriations until seconds before adjournment. We face a confusion of assessment practices, involving uncertainties as to the responsibilities of the State Board of Equalization and the several county assessors. We work with an unrealistic budget transmittal schedule with legal deadlines that frequently can not be met.

I have studied Dr. Frank Wright's dissertation, The Administration of California School District Budgets, completed in June 1950, and feel that his recommendations received too little attention. However, a careful analysis of areas related to school budgeting leaves me convinced that there are so many problems involved that there can be no piecemeal solution.

Cumulative experience indicates that partial revisions add only confusion to confusion. A workable solution is most likely to develop out of the cooperative efforts of many interested groups.


As a school administrator and a directly interested party, I have chosen to work in this field on a long delayed thesis. My study will endeavor to identify areas related to school budgeting that need to be restudied and will propose that an adequately financed, comprehensive committee be appointed by legislative or executive authority with authorization to study all problems involved and to recommend legislation.

The committee should give representation to all well defined school groups, interested county officials, the State Board of Equalization, the State Legislature, and to those lay and civic groups particularly interested in school welfare.

Hugh P. Donnelly, chairman of the State Senate committee on Education and a near neighbor, has expressed interest in this study and has asked that I keep him informed.

With the fervent hope that this study may call attention to a very real need, I submit the enclosed questionnaire adding a very warm and personal, "Thank You," for the reply I know you will make.

Respectfully submitted,


Robert Lee

Return one copy to:
ROBERT LEE
1102 Sierra Drive, Turlock

QUESTIONNAIRE TO COUNTY SUPERINTENDENTS OF SCHOOLS

This questionnaire is designed to discover what county superintendents think about procedures now followed in school budget making and to secure their reaction to a proposal that the entire field relating to school budgets be restudied.

Responses will be completely confidential. Please do not sign the questionnaire.

Check one answer

1. School districts must file preliminary budgets in your office by July 1. Did your county auditor or other county official have available at that time, a revised estimate of the new county assessment roll? Yes ☐ No ☐
2. Were final assessment figures, exclusive of public utilities, available to you on August 1, 1951? Yes ☐ No ☐
3. Were you, in every case, able to meet the legal deadlines involved in the transmittal of budget forms between school districts and your office? Yes ☐ No ☐
4. Did every district in your county submit a budget by July 1? Yes ☐ No ☐
5. Was the rush of work so heavy that it was not possible for you to return some budgets to the districts by the July 15, deadline? Yes ☐ No ☐
6. If so were the numbers of districts involved, many or few? Many ☐ Few ☐
7. Do you feel that the transmittal schedule gives your office sufficient time to do an efficient job of processing school district budgets? Yes ☐ No ☐
8. Did every district return the publication budget to you by July 20? Yes ☐ No ☐
9. If not, were those that failed to do so, many or few? Many ☐ Few ☐
10. In general, were publication budgets changed materially from preliminary budgets? Yes ☐ No ☐
11. Did all districts return final budgets to you immediately following the public hearing? Yes ☐ No ☐
12. Do you feel that budget forms are unnecessarily long? Yes ☐ No ☐
13. Do you feel that budget forms are now so technical as to be quite confusing to the average school board member? Yes ☐ No ☐
14. Do you feel that the budget forms are so technical as to make the average school board completely dependent upon the advice of persons trained in preparing school budgets? Yes ☐ No ☐
15. Do you feel that in your county, total assessed valuations have in the last few years kept pace with the true increase in real values? Yes ☐ No ☐
16. Do you feel that in your county, assessed valuations have increased as rapidly as school populations have grown? Yes ☐ No ☐
17. Do you feel that assessment practices in the various counties are so far apart as to result in significant inequities in the distribution by the state of equalization funds? Yes ☐ No ☐
18. Would you be in favor of a comprehensive study of all fields related to school budget making to be made by a committee, representing all interested parties, the committee to be appointed by legislative or executive authority, and specifically instructed to propose remedial legislation should their study indicate a need? Yes ☐ No ☐

**REPLIES TO A QUESTIONNAIRE
TO FIFTY-SIX CALIFORNIA COUNTY SUPERINTENDENTS OF SCHOOLS**

This questionnaire, designed to discover what California county superintendents of schools think about procedures now followed in school budget making in California and to secure their reaction to a proposal that the entire field related to school budget making be restudied, was mailed to the fifty-six California county superintendents who have jurisdiction over more than one school district. Comments were invited.

Forty-eight replies were received. Results are tabulated below:

1. School districts must file preliminary budgets in your office by July 1. Did your county auditor or other county official have available at that time, a revised estimate of the new county assessment roll?	Yes 6	No 42
2. Were final assessment figures, exclusive of public utilities, available to you on August 1, 1951?	Yes 27	No 20
3. Were you, in every case, able to meet the legal deadlines involved in the transmittal of budget forms between school districts and your office?	Yes 29	No 17
4. Did every district in your county submit a budget by July 1?	Yes 34	No 14
5. Was the rush of work so heavy that it was not possible for you to return some budgets to the districts by the July 15, deadline?	Yes 17	No 28
6. If so, were the numbers of districts involved, many or few?	Many 6	Few 12
7. Do you feel that the transmittal schedule gives your office sufficient time to do an efficient job of processing school district budgets?	Yes 15	No 32
8. Did every district return the publication budget to you by July 20?	Yes 25	No 20
9. If not, were those that failed to do so, many or few	Many 4	Few 15
10. In general, were publication budgets changed materially from preliminary budgets?	Yes 10	No 38
11. Did all districts return final budgets to you immediately following the public hearing?	Yes 36	No 11
12. Do you feel that budget forms are unnecessarily long?	Yes 29	No 17
13. Do you feel that budget forms are now so technical as to be quite confusing to the average school board member?	Yes 41	No 6
14. Do you feel that the budget forms are so technical as to make the average school board completely dependent upon the advice of persons trained in preparing school budgets?	Yes 40	No 8
15. Do you feel that in your county, total assessed valuations have in the last few years kept pace with the true increase in real values?	Yes 11	No 36
16. Do you feel that in your county, assessed valuations have increased as rapidly as school populations have grown?	Yes 14	No 33
17. Do you feel that assessment practices in the various counties are so far apart as to result in significant inequities in the distribution by the state of equalization funds?	Yes 40	No 4
18. Would you be in favor of a comprehensive study of all fields related to school budget making to be made by a committee, representing all interested parties, the committee to be appointed by legislative or executive authority, and specifically instructed to propose remedial legislation should their study indicate a need?	Yes 42	No 4

2. The questionnaire form.

3. The tabulated replies of the principals and school district superintendents.

In conducting this survey, no follow-up letters were written to ask a second time that questionnaires be returned. The returns are responses to a single request.

In all, 356 questionnaires were mailed. Replies from 253 persons were received and tabulated. These replies represent returns from 205 separate school districts and from forty-eight county superintendents.

The total percentage of replies was 71 per cent. This unusual response seems to strongly document the assumption that school officials are anxiously looking for some answer to school budget problems.

The fourth research technique used in this study was a survey of the extent of public concern with assessment practices as measured by the space devoted by newspapers to assessment problems.

To have surveyed many newspapers would have involved more time than was available. The study was available. The study was, therefore, principally confined to searching the files of the Stockton Record, a daily newspaper, published at Stockton, California.

TURLOCK ELEMENTARY SCHOOLS
Turlock, California

January 28, 1952

Dear School Administrator:

Last year as you worked overtime on your school district budget, the thought may have come to you that this entire field needs restudying.

We guess at assessed valuations and tax yields. We guess at intentions of a state legislature that may by design delay school appropriations until seconds before adjournment. We place budgets in legal jeopardy by failing to meet the legal deadlines in an unrealistic budget transmittal schedule. And although we continue to guess at income through July and August, by the first of May we have frequently committed 90 percent of our anticipated funds through contracts to employees and orders for next year's supplies.

Each year the situation becomes more muddled. Growth and inflation have served the schools well, inasmuch as they have brought out into the open fundamental weaknesses in our budget procedures that remained obscure during normal times.

Patchwork legislation and administrative directives have added confusion to confusion. A budget form that a few years ago was one page in length has now grown to 14 pages.

The problem is too involved to be solved piecemeal. It reaches out into the fields of assessment practices, principles of equalization, tax collections, accounting, and legislative deadlines for school appropriations.

The best solution should grow out of the cooperative efforts of many interested groups.

As a school administrator, I have chosen this field for a long delayed thesis. My study will endeavor to identify areas relating to school budgeting that need restudying, and will propose that an adequately financed comprehensive committee be appointed by legislative or executive authority, with instructions to study the problem and recommend legislation.

The committee should give representation to all well defined school groups, interested county officials, the State Board of Equalization, the State Legislature, and to lay and civic groups having a particular interest in school welfare.

Hugh P. Donnelly, chairman of the State Senate committee on Education and a near neighbor, has expressed interest in this study and has asked that I keep him informed.

With the fervent hope that this study will call attention to a very real need, I submit the enclosed questionnaire, adding a very warm and personal "Thank You" for the reply I am sure you will give.

Respectfully submitted,

Robert Lee

Robert Lee
District Superintendent
Turlock Elementary School District

Return one copy to
ROBERT LEE
1102 Sierra Drive, Turlock

QUESTIONNAIRE TO 100 SCHOOL PRINCIPALS AND SCHOOL DISTRICT SUPERINTENDENTS

This questionnaire is designed to discover what school administrators think about procedures now followed in school budget making and to secure their reaction to a proposal that the entire field relating to school budgets be restudied.

Responses will be completely confidential. Please do not sign this questionnaire.

Check one answer

1. Do you feel that present budget forms are too long? Yes ☐ No ☐

2. Do you believe that budget forms are now so technical as to be quite confusing to the average school board member? Yes ☐ No ☐

3. Do you feel that the budget form is so confusing as to make the average school board completely dependent upon the advice of persons trained in preparing school budgets? Yes ☐ No ☐

Legally, the county superintendent and the district cooperate to make a budget. The county superintendent indicates what funds will be available and offers advice. Trustees consider his recommendations, but make final decisions.

4. Who would you say was most influential in making your present school budget, the county superintendent, or the school district trustees? County Supt. ☐ School Trustees ☐

Legally, the school code provides an inflexible budget transmittal schedule between the county office and the district. Actually it is not always followed.

5. Did your district carry out all of the following steps prior to July 1:
(a) Hold an official meeting at which a PRELIMINARY budget was adopted? Yes ☐ No ☐
(b) Record the action in the minutes? Yes ☐ No ☐
(c) Send the PRELIMINARY budget to the county office by July 1? Yes ☐ No ☐

6. Did your county superintendent return the budget to your district, with his recommendations, on or before July 15? Yes ☐ No ☐

7. Did your board meet again between July 15 and July 20, and do all the following things:
(a) Hold an official meeting to consider the recommendations of the county superintendent? Yes ☐ No ☐
(b) Adopt a PUBLICATION budget and record the action in the minutes? Yes ☐ No ☐
(c) Return the Publication budget to the county superintendent by July 20? Yes ☐ No ☐

8. When the preliminary budget was prepared on or before July 1, did your county auditor, or other county official, make available to you an estimate of the changes in the assessed valuation of your district? Yes ☐ No ☐

9. When the final budget was adopted in August were you able to accurately predict:
(a) The income to be derived from taxes? Yes ☐ No ☐
(b) The income to be derived from the state? Yes ☐ No ☐

10. Would you be in favor of a comprehensive study of all fields related to school budget making to be made by a committee, representing all interested parties, the committee to be appointed by legislative or executive authority, and specifically instructed to propose remedial legislation should their study indicate a need? Yes ☐ No ☐

REPLIES TO A QUESTIONNAIRE
TO 100 SCHOOL PRINCIPALS AND SCHOOL DISTRICT SUPERINTENDENTS

This questionnaire, designed to discover what school administrators think about procedures now followed in school budget making, and to secure their reaction to a proposal that the entire field related to school budgeting be restudied, was sent to 100 school administrators in fifty California counties. The survey included elementary school districts, high school districts and unified school districts and was planned to include a typical cross section as to size and type of district.

Ninety replies were received. Results are tabulated below:

1. Do you feel that present budget forms are too long? Yes 47 No 43
 2. Do you believe that budget forms are now so technical as to be quite confusing to the average school board member? Yes 78 No 12
 3. Do you feel that the budget form is so confusing as to make the average school board completely dependent upon the advice of persons trained in preparing school budgets? Yes 77 No 12
- Legally, the county superintendent and the district cooperate to make a budget. The county superintendent indicates what funds will be available and offers advice. Trustees consider his recommendations, but make final decisions.
4. Who would you say was most influential in making your present school budget, the county superintendent, or the school district trustees? County Supt. 27 School Trustees 51
- Legally, the school code provides an inflexible budget transmittal schedule between the county office and the district. Actually it is not always followed.
5. Did your district carry out all of the following steps prior to July 1:
 - (a) Hold an official meeting at which a PRELIMINARY budget was adopted? Yes 85 No 5
 - (b) Record the action in the minutes? Yes 85 No 5
 - (c) Send the PRELIMINARY budget to the county office by July 1? Yes 86 No 4
 6. Did your county superintendent return the budget to your district, with his recommendations, on or before July 15? Yes 70 No 20
 7. Did your board meet again between July 15 and July 20, and do all the following things:
 - (a) Hold an official meeting to consider the recommendations of the county superintendent- Yes 58 No 28
 - (b) Adopt a PUBLICATION budget and record the action in the minutes ? Yes 68 No 19
 - (c) Return the Publication budget to the county superintendent by July 20? Yes 66 No 20
 8. When the preliminary budget was prepared on or before July 1, did your county auditor, or other county official, make available to you an estimate of the changes in assessed valuation of your district? Yes 26 No 61
 9. When the final budget was adopted in August were you able to accurately predict:
 - (a) The income to be derived from taxes? Yes 25 No 61
 - (b) The income to be derived from the state? Yes 32 No 54
 10. Would you be in favor of a comprehensive study of all fields related to school budget making to be made by a committee, representing all interested parties, the committee to be appointed by legislative or executive authority, and specifically instructed to propose remedial legislation should their study indicate a need? Yes 83 No 5

COMMENTS WERE INVITED

Stockton is the county seat of San Joaquin County, and the news stories in the Record were largely concerned with specific problems of San Joaquin County.

However, a few stories from newspapers published in other California areas are referred to in order to indicate that school districts in other counties are also involved with budget problems developing out of assessment practices.

CHAPTER IV

THE QUESTIONNAIRE AND THE BUDGET

This chapter discusses budget problems, particularly in relationship to the responses to the questionnaires used in this study, under five main topics:

- I. The Budget Form
- II. Responsibility for Budget Construction
- III. The Transmittal Schedule
- IV. Budgetary Timing
- V. Accounting Procedure

As previously stated, no attempt is made to suggest a solution as these topics are discussed. The complete purpose here is to explore and identify important aspects of the budget problem.

I. THE BUDGET FORM

The school budget form used for the 1945-1946 school year consisted of a single sheet. The form used in the 1952-1953 school year contains fourteen sheets, and requires the use of much fine print.¹

¹ Budget, California State Department of Education, Form No. J-41, 1952-1953; will be found inside the back cover of the thesis.

The lower three inches of page twelve of the 1952-1953 budget form devotes thirty-four lines of fine print, containing 644 words, to "SPECIAL INSTRUCTIONS." These instructions apply only to page twelve of the budget form.

In contrast, the preceding page of this thesis contains 111 words.

An examination of the budget form is ample documentation that it is difficult to read.

Must the budget form be so long and the instructions so intricate?

Much of the answer lies with the State Department of Education.

Section 6303 of the California Education Code states in part: "The budget shall be made in quintuplicate in the form and upon the blanks prescribed by the Superintendent of Public Instruction."

However, Code sections 6301 and 6302 require the inclusion of certain specified items in the budget form.²

Nonetheless, the responsibility for length and complexity of budget forms rests with the State Department of Education.

² Education Code of California (Sacramento: California State Department of Education, Printing Division), Sections 6301 and 6302.

In California, all school districts of whatever size and type use the same basic budget form. Trustees of California's smallest elementary school districts use the same basic form as does the San Francisco Unified School District.

The first sentence on the reverse side of page one of the 1952-1953 budget form, under the caption, "GENERAL INSTRUCTIONS" reads:

This official budget form shall be employed by the governing board of each school district of each type and class in submitting its budget to the county superintendent of schools as required by the provisions of Education Code Section 6303.

Replies to questionnaires used in this study cast doubt upon the wisdom of budget forms in current use.

Of those replying to the questionnaires, 74.7 per cent of the trustees; 60.4 per cent of the county superintendents; and 52.2 per cent of the school administrators indicated that current budget forms are too long.

In districts employing less than eight teachers, 81.4 per cent of the trustees felt that the form is too long. In larger districts, 68.8 per cent of the trustees answered that the forms are too long.

School officials were emphatically critical of budget complexity.

In reply to the question, "Do budget forms appear so technical and complicated that they are becoming to difficult for the average person to work with intelligently?," 76.5 per cent of the trustees replied, "yes."

County superintendents were asked: "Do you feel that budget forms are now so technical as to be quite confusing to the average school board member?" "Yes," was the answer of 85.4 per cent of the county superintendents.

"Yes" was also the answer given by 86.6 per cent of the school administrators to the same question.

When asked, are forms so confusing as "to make the average school board completely dependent upon the advice of persons trained in preparing school budgets?," 83.3 per cent of the county superintendents and 85.5 per cent of the school administrators replied, "yes."

Some comments of respondents are listed below.

A trustee checked "yes" after the question, "Do budget forms appear so technical and complicated that they are becoming too difficult for the average person to work with intelligently?" then added in pencil, "sure and getting worse."

Another trustee answered "yes" to the same question then typed in this notation: "I consider our School Board above average in intelligence."

A county superintendent wrote:

Every year two or three boards simply return the whole budget form in blank with a statement to the effect that 'it's too complicated for us.'

The same superintendent added:

We think the idea of including in the budget form, funds which in no way affect the district tax rate is a waste of time and money . . . the cost of advertising these funds . . . is fantastic.

A district superintendent commented: "There should be different forms for sizes of districts."

A second, wrote: "Perhaps there might be a more simplified budget form for all of us and one a great deal more simplified for small districts."

Then he added these questions:

. . . a page on the bond interest and sinking fund must be prepared by the County Auditor. Why include it in the school budget? How can you budget for cafeteria with any accuracy, and why do it anyway where a cafeteria account is maintained in a bank with the account being audited by a C.P.A.?

Code provisions relating to school cafeterias are permissive not mandatory, and school district funds may or may not be involved. A school that has conducted a cafeteria may discontinue the service at any time, and a school that has made no budgetary provision for a cafeteria may initiate a cafeteria at any time.

The policy of including a page in the budget form for cafeterias, especially in those cases where no district

funds are involved, is open to question.

Any cafeteria budget must obviously be based upon a guess as to the numbers of school children to be served.

II. RESPONSIBILITY FOR BUDGET CONSTRUCTION

Primary responsibility for the school budget lies with the governing boards of school districts.

Section 6301 of the Education Code states in part:

On or before the first day of July in each year, the governing board of each school district shall file with the county superintendent of schools a tentative budget showing all the purposes for which the school district will need money and the estimated amount of money that will be needed for each purpose for the ensuing fiscal year.

Section 1306 of the Education Code states that:

The superintendent of each district shall . . . prepare and submit to the governing board of the district . . . the budget of the district for the ensuing year.

An analysis of this section clearly indicates that the superintendent of the district acts only as an employee of the district and that the responsibility for budget adoption lies with the governing board.

The responsibility of the county superintendent in budget construction is contained in Sections 6304 and 6302 of the Education Code.

Section 6304 states:

The county superintendent of schools shall examine the tentative budget and after indicating thereon such changes as he deems desirable or necessary, shall return the tentative budget to the governing board on or before the fifteenth day of July, adding such information as is necessary to determine the amounts necessary to be raised by taxes

Section 6302 (a) of the Education Code reads in part:

From records of the county auditor, the county superintendent of schools shall secure the cash balances of the district . . . and shall enter these

An analysis of these sections indicates that the duties of the county superintendent are confined to furnishing the district with the fiscal data required for budget making and to giving technical advice to the governing board.

In his study of California school district budgets, Doctor Wright stated:

The full responsibility and authority for fixing the amounts in the school district budget is vested in the governing board and no other official, including the superintendent of schools, has authority to make any change in the amount of the budget.³

³ Frank M. Wright, "The Administration of California School District Budgets," (unpublished Doctor's dissertation, Library, The University of Southern California, 1950), p. 18.

In another place, Doctor Wright stated:

. . . the county superintendent of schools, who exercises general supervision over such districts is called upon to advise and, as subsequently shown, actually prepare most of the budgets for the smaller districts.⁴

Doctor Wright continued:

There is no legal authority for the county superintendent of schools to assume this responsibility, but, as shown later, it is generally the practice throughout the state.⁵

The findings of this study are in general agreement with the conclusions quoted above.

In this study, trustees and school district administrators were asked: "Who would you say was most influential in making your present school budget, the county superintendent or the school district trustees?"

The question proved somewhat confusing. Some wrote in comments such as: "District Superintendent," "School Principal," and "our superintendent."

These answers were not tabulated. The comments indicate that some administrators and some trustees are a little confused as to the duties of school district administrators in budget construction.

⁴ Wright, loc. cit.

⁵ Loc. cit.

Answers to the above question seem to indicate that in practice the county superintendent plays a more important role than the Code intended.

In small districts, 44.2 per cent of the trustees felt that the county superintendent was more influential than the school trustees in making their budget.

In larger districts, 21.8 per cent of the trustees agreed.

School district administrators were still more conscious of the influence of the county superintendent, as 46.5 per cent indicated that they believed the county superintendent to be more influential than the district trustees.

A district superintendent complained:

I'm sure in our county the County Superintendent is the sole 'budgeteer' for the small districts even to the point of misleading them . . .

III. THE TRANSMITTAL SCHEDULE

The present transmittal schedule dates back to the 1934-1935 school year. The budget form for that year contained the schedule listed below:

July 1. The governing board of the school district shall submit its annual budget to the county superintendent of schools . . .

July 15. The county superintendent of schools shall examine the budget and return it to the governing board . . .

July 20. The budget shall be returned to the county superintendent of schools . . .

July, last week. The county superintendent of schools must publish each budget . . .

August, first week. The governing board must hold a public hearing . . .⁶

The budget calendar referred to above is known as the transmittal schedule. These legal deadlines have existed now for eighteen years. It would seem that the schedule has been in use sufficiently long to determine whether it is or is not practical.

If the transmittal schedule is impractical, the whole Code section and its implications should be restudied.

An analysis of the replies to questionnaires used in this study indicates that the schedule is impractical to the extent that hundreds of school district budgets are undoubtedly constructed in violation of the Code provisions involved.

The total percentage of irregularities may be expected to be greater than the percentages confessed to by the respondents to questionnaires used in this study.

⁶ Budget. Form No. 8101 for year ending June 30, 1935.

Twenty-four per cent of the trustees of small school districts who replied to the questionnaire, indicated that the first budget draft was drawn by "Trustees or Principal in Conference with the County Office."

An analysis of certain replies indicates that in many cases this may have been the only budget meeting held in some districts.

Two county superintendents did not answer questions relating to the transmittal schedule, each explaining that in his county budgets do not travel back and forth.

One of the superintendents stated:

All budgets are made out on figures submitted in my office so the budgets do not travel back and forth-- Time is a factor and trustees in smaller districts are busy with harvests and do well to submit one budget.

The other superintendent argued:

We feel that the County Superintendent has two major responsibilities in connection with school district budget making--(1) to give technical assistance; (2) to give educational guidance, particularly in districts not having their own superintendents.

Both of these functions can be served most effectively if we are present at the Board meeting when the budget is being drafted, and, when we are so involved, there is no need for the sending-in and returning of budgets as provided for in law. Our recommendations can be made during the budget making process and approval given on the spot.

A third county superintendent explained:

There are many small districts which depend almost entirely upon the county office for budget preparation.

Because of insufficient office help it is impossible to adhere to the July 20th transmittal date, except in larger districts. The July 20th transmittal seems unnecessary.

Report of county superintendents. Tabulated responses to questions concerning the transmittal schedule indicate:

35.4 per cent of the county superintendents stated that they were unable to meet all deadlines;

29.1 per cent reported that one or more districts in their counties failed to submit a budget by July 1;

35.4 per cent admitted that they were unable to return all budgets to the districts by July 15;

12.5 per cent replied that they were unable to meet this deadline in "many" instances;

25.0 per cent revealed that they were unable to meet this deadline in only a "few" cases;

66.6 per cent indicated that the transmittal schedule does not give sufficient time "to do an efficient job of processing school budgets";

41.6 per cent said that some districts had failed to return the budget by July 20;

31.2 per cent classified the schools that failed to meet this deadline as "few";

8.3 per cent checked the numbers involved as "many";

Report of trustees.

14.8 per cent of the small districts stated that no budget meeting was held prior to July 1;

3.2 per cent of the larger districts also held no budget meeting prior to July 1;

18.5 per cent of small districts recorded no action on the minutes;

3.2 per cent of the larger districts recorded no action;

5.5 per cent of the smaller districts reported sending no budget to the county superintendent by the July 1 deadline; all of the larger districts indicated that they had met this deadline;

14.8 per cent of the smaller districts reported that the budget was not returned to them by the July 15 deadline;

13.1 per cent of the larger districts did not receive their budgets by this deadline;

31.4 per cent of the smaller districts reported that they held no meeting between July 15 and July 20;

All larger districts stated such meetings were held;

18.5 per cent of the smaller districts reported that their districts did not adopt a "Publication" budget;

8.1 per cent of the larger districts failed to adopt a "Publication" budget;

22.2 per cent of the smaller districts entered no action in the minutes regarding a "Publication" budget;

8.1 per cent of the larger districts made no such entry;

14.8 per cent of the small districts did not return a budget to the county office by July 20;

11.4 per cent of the larger districts failed to meet this deadline;

77.7 per cent of the trustees in the smaller districts stated that they did not feel "that all these steps are necessary";

77.1 per cent of the trustees in the larger districts felt the same way.

Report of school district administrators.

5.5 per cent admitted that no meeting was held prior to July 1;

4.4 per cent stated that no budget was sent to the county office by July 1;

22.2 per cent said that the county did not return a budget by July 15;

31.1 per cent reported no meeting was held between July 15 and July 20;

21.1 per cent said that no record was made in the minutes concerning the adoption of a "Publication" budget;

22.2 per cent stated that the budget was not returned to the county office by July 20.

Below the question, "Did your county superintendent return the budget to your district with his recommendations on or before July 15?," one district superintendent wrote: "Never had a budget returned."

Fictitious budget meetings. What appear to be fictitious meetings were reported by 14.4 per cent of the administrators; 14.8 per cent of the trustees reporting for large school districts; and by 13.1 per cent of the trustees replying for small districts.

In these cases respondents replied "no" when asked if meetings were held, and replied "yes" on the next question to indicate that a record of a meeting was carried in the school board minutes.

IV. BUDGETARY TIMING

The preliminary budget adopted on or before July 1 is likely to become the final budget. Seventy-nine and one tenth per cent of all county superintendents reported that, in general, publication budgets were not changed

materially from preliminary budgets.

What information is available to the district when the preliminary budget is adopted on July 1?

The district may know:

1. That the County Assessor is required to deliver the assessment roll to the County Board of Supervisors on the first Monday in July.⁷

2. That the County Board of Supervisors sits as a board of equalization to hear protests of assessments on the first Monday in July, and that it may remain in session until the third Monday in July.⁸

3. That assessment deadlines are further complicated by duties of the State Board of Equalization which must deliver the assessments made by the board to the various county auditors immediately after completing assessments on the third Monday of August.⁹

4. That the legislature is, at times, in session and that it has within its power control over that part of the constitutional guarantee to schools that is set aside

⁷ Revenue Laws of California, compiled by Dixwell L. Pierce, State Board of Equalization, 1951, Section 616.

⁸ Ibid., Section 1603.

⁹ Ibid., Section 756.

as an equalization fund. This amount constitutes one third of all funds guaranteed by the Constitution.¹⁰

By July 1, the expenditures of a school district for the new year can be closely approximated.

Contracts will usually have been agreed upon with teachers by May 15. Supplies for the ensuing year will generally have been contracted for, before July 1.

Doctor Wright estimated that some school districts contract to spend up to 90 per cent of the budget prior to July 1.¹¹

A tabulation of responses having to do with budget timing indicates that:

67.7 per cent of the school administrators answering the questionnaire had received no estimates of the changes in assessed valuation in their districts by July 1;

67.7 per cent said that they were unable to accurately predict the income from district taxes when the final budget was adopted in August;

60.0 per cent reported that they were unable to accurately predict state income when the final budget was adopted:

¹⁰ Article IX, California State Constitution, as amended by the people, November 4, 1952, Section 6.

¹¹ Wright, op. cit., p. 179.

87.5 per cent of the county superintendents were without revised estimates of assessed valuations on July 1;

41.6 per cent of the county superintendents had not received the final assessed valuations for their county on August 1.

On July 1, when the preliminary budget is adopted, the school board is in possession of most of the items of expense, but is still uncertain as to income. Nonetheless, the budget adopted as a preliminary budget on July 1, with slight change usually becomes the final budget.

One superintendent of a unified school district wrote: "The timing is the bad feature (or worst)."

Other comments by school administrators follow:

"The unavailability of 'income' information is the one thing that throws me for a loss." ". . . we must prepare a budget without knowledge of assessed valuations, state income, etc. --ridiculous."

The principal trouble in budget making during the past few years has been knowing what your estimated income might be at the time you made up your preliminary budget.

"We have been working in the dark as far as school finances are concerned for a long time, and it's getting worse."

V. ACCOUNTING PROCEDURE

Change invariably generates opposition. Some dissatisfaction with budget forms undoubtedly arises from changes in accounting methods and from the relationship between accounting and budgeting.

The first multiple page budget appeared in the 1946-1947 school year.

Paralleling the multiple page budget came uniform accounting manuals. The "Foreword" to the current California School Accounting Manual states:

This manual shall be employed in the accounting of school district funds beginning with the fiscal year 1951-52, effective as of July 1, 1951, and in the preparation of school district budgets for that fiscal year.¹²

The opening paragraph of the "Foreword" identifies the reasons for requiring the use of an accounting manual. It states:

This manual is a revision of official instructions that were issued previously by the California State Department of Education to establish uniformity of practices and procedures throughout the state in public school fiscal accounting.¹³

¹² California School Accounting Manual, Bulletin of the State Department of Education, Vol. XX, No. 2, March, 1951, p. iii.

¹³ Ibid., p. iv.

The second paragraph of the "Preface" explains the need for uniformity.

It is uniformity in final results that is essential. Data contained in financial reports are unreliable for comparative purposes unless there is an assurance of uniformity in classification of expenditures and treatment of abatements in the accounting, which led to such reports.¹⁴

It may be assumed that comparatively few trustees and not many school principals will have had special training in accounting. The term "abatement" in its technical sense will be unfamiliar to many. Accounting as exact as that prescribed by the California School Accounting Manual will be infrequently practiced in the smaller school districts.

Questionnaire replies from trustees in small districts indicated that 31.4 per cent kept no financial records other than stubs in warrant books.

A trustee of a small district in one of the less populous counties commented:

Up until the school year 1950-51, I kept books on financial transactions . . . in a book put out by It was a simplified Financial Record with budget allocations and control accounts, but starting in 1950-51 the Financial Record Book that was put out by the same company, approved by the State Department of Education, was so complicated that I asked help from the County Superintendent's office force.

¹⁴ Ibid., p. v.

They didn't know any more than I did so I've kept no books for the last two years. I talked to another clerk of a Board in this county and I was told that she had the same trouble with this large two page complicated Record Book, so didn't keep books.

When it is remembered that there are more than one thousand seven hundred school districts in California that employ fewer than eight teachers, some doubts must arise as to the reasonableness of requiring the very small school district to use the same basic accounting procedure as that required of larger school districts.

The California School Accounting Manual was written almost completely by the Accounting Committee of the California Association of Public School Business Officials. Members of the committee are named in the Manual. The list is made up almost exclusively of persons employed in the accounting departments of California's largest cities.¹⁵

The usefulness of the California School Accounting Manual in school districts employing competent administrative staffs is not challenged by this thesis, but there does seem to be some evidence indicating that accounting procedures required by the Manual, and made legally binding upon all school districts by the Administrative Code of the California State Department of Education, are too technical

¹⁵ Ibid., p. 11.

to serve the best educational interests of the hundreds of school districts which employ no accountants.

The possible use of simpler accounting procedures for most districts, with greatly simplified features for the very small school district, is a field that might well be most carefully explored by the committee proposed in this study.

The committee ought also to examine the possibilities that may develop through encouraging further school district reorganization.

The county superintendent of a mountain county wrote:

It seems to me that the problem is not so much in the form of the budget as it is in the make up of the boards of trustees. Many of the boards in the small rural districts are made up of persons who, in many cases, can hardly write their own names.

Proponents of district reorganization have long argued that the larger district resulting from reorganization will attract trustees of high competence and will permit the employment of administrative staffs that will include trained accountants.

The arguments for and against reorganization can not be summarized here, but the field deserves to be carefully studied by any committee interested in finding a solution to the general problem of school budget procedure.

CHAPTER V

ASSESSMENT PRACTICES AND SCHOOL BUDGETS

A comprehensive analysis of assessment practices lies beyond the scope of this study.

The intent of the chapter is to submit evidence indicating that current assessment practices are a matter of state-wide controversy and concern, and that the problem of school finances is acutely involved.

For purposes of this chapter, the newspaper has been assumed to be a sensitive barometer of public interest, and the validity of conclusions reached in this chapter must rest largely upon the validity of that assumption.

This study advances no claim that the news stories used present a full and accurate analysis of assessment problems, but rather submits each one only as evidence of public concern.

The San Francisco Chronicle of January 8, 1950, carried a feature story dealing with assessment practices in California. The article signed by Elmonte Waite is worth summarizing.

The story required fifty columnar inches of space. It explained that the state legislature had, in 1949, passed a law that could prove a model for other states

interested in equalization.

The story pointed out that in California each county assessor does the assessing of all properties within his county except that all utilities are assessed by the State Board of Equalization.

The article also explained that the State Board of Equalization has the constitutional power to compel equalization of assessments between the counties.

The story indicated that inter-county equalization was urgently needed. It gave the example of a Shasta County assessor who assessed one of his own properties at \$350.00, but asked \$20,000.00 when it was required for highway purposes.

The assessor was said to have claimed that all property within three blocks "was assessed the same." The reporter found assessments low throughout the county and quoted the assessor as stating, "That's the way the people in Shasta County like them."

The story pointed out that when assessments are low school districts suffer, explaining: "A school district's bonding capacity, for instance, is limited to 5 per cent of assessed valuation."

The article continued:

In theory, it wouldn't have made much difference whether one county assessed at 10 per cent of true value and another at 50 per cent, whichever way 'the people like them.' But the question of State aid for schools began to irritate the neighbors.

The problem roughly is this: To get State aid [sic--for building purposes] a school district must be at the end of its rope. And if its tax revenues and bond issues must come from property assessed at only a small fraction of its real value, it can get to the end of its rope much faster than its neighbors in other counties--and without any undue burden on its taxpayers either.

The article explained that a new 1949 law was designed to correct just such inequities as are discussed above, and pointed out that under the new law it became the duty of the State Board of Equalization to:

1. Compute the average ratio of assessed valuations to market valuations throughout the state.
2. Require each county that falls below this average to raise its ratio to within 10 per cent of the state average.
3. Lower assessed valuations of public utilities within a county whenever a county fails to raise its own ratio to within 10 per cent of the state average.

The story pointed out that there are teeth in the 1949 law, inasmuch as many of the counties that have assessment ratios below the state average also have heavy investments in public utilities.

The story stated that in Shasta County public utilities accounted for 62.6 per cent of the total assessed valuation of the county.

The percentage listed for several other counties was: Amador--67.6; Plumas--63; Alpine--61.6; Placer--39.9; Nevada--39.6; Tuolumne--36.6; and Siskiyou--30.4.

A signed news story indicates unusual public interest. The whole tenor of the Chronicle story placed the paper in the position of strongly supporting the 1949 legislation, legislation that was soon to become bitterly controversial.

In the sixty-one day period between June 18 and August 18, 1951, the Stockton Record, a daily newspaper published in Stockton, California, devoted 167 columnar inches of space to news stories involving assessment problems, related to school financing.

An additional forty-three columnar inches were required for assessment stories between February 27 and April 3, 1952, and on April 14, the Record concluded the sequence with a two column, nine inch editorial.

The editorial began:

The assessed valuation of the Stockton Unified School District declined \$3,500,000 in the past two fiscal years. In this period the valuations of other districts of similar size were rising.

The editorial pointed out that this drop in assessed valuation had been translated into a loss of income to the school district and that the trustees of the district were calling a special tax election in an attempt to make up the loss.

The editorial blamed San Joaquin County Assessor Wilber C. Leffler for creating a difficult situation for all school districts in the county.

The editorial quoted him as saying, "The schools are not my problem," and quoted him further as asserting that he might make an arbitrary cut in assessments in July in order to bring the county's assessment practices in line with those of other counties.

The editorial continued:

Prospect of a cut in the entire county tax base alarms the county superintendent of schools. If this happens, he says, county schools which are now severely pinched financially will be in terrible shape.

The editorial concluded: "The responsibility . . . seems clearly to lie with the assessor."

This editorial had been preceded by a chain of events to which the Record had devoted over seventeen feet of news space.

The first story in the sequence broke on June 18, 1951. A three column front page headline read:

HIGH ASSESSMENT OF PROPERTY

SAID PENALIZING S. J. SCHOOLS

Below the headline a two column deck continued:

FORMULA SOUGHT TO REMOVE INEQUITIES

ARISING FROM RE-EVALUATION IN 1946

Below the deck the lead began:

San Joaquin County is losing more than \$300,000 annually in state equalization aid for schools through a policy of high property assessments according to a report made public today by Wilber C. Leffler, county tax assessor.

The report referred to, consisted of a survey released in mimeographed form by Bruce McKnight, a certified public accountant employed by the San Joaquin County Assessor, to make a survey comparing assessed valuations with market prices in seven California counties.¹

The report found that assessments in San Joaquin County were 30 per cent of market value, and that the percentages for certain other counties were: Contra Costa--22; Fresno--21; Kern--19; Los Angeles--22; Sacramento--21; and Stanislaus--19.

The study pointed out that the state makes appropriations to school districts on the basis of wealth, with the

¹ Bruce McKnight, "Analysis of Equalization Aid from State of California," (mimeographed report secured from Stockton Unified School District).

larger appropriations per pupil going to the school districts having the smaller wealth per pupil, with wealth measured in terms of assessed valuations.

The study concluded that since assessments in San Joaquin County were comparatively high, the county was incurring a considerable loss in state money, and estimated that loss at approximately \$300,000.00 annually.

One month later on July 18, assessment problems again were on the front page of the Stockton Record. The story began:

County Assessor Wilber C. Leffler today challenged a State Board of Equalization announcement that San Joaquin County's assessed valuations are a happy medium of state valuations.

The state bureau yesterday released figures showing that local assessments are exactly average among the state's 58 counties.

The next day, July 19, the front page of the Record carried a new assessment story. The lead stated:

San Joaquin County faces a heavy loss in public utility assessments, and a consequent \$75,000 rise in local taxes if the State Board of Equalization is successful in voiding a bill signed this week by Governor Warren.

The news story explained:

The bill postpones for two more years the effective date of a new law passed in 1949 which would permit the board to cut utility assessments an average of 20 per cent.

The Record story pointed out that:

. . . basis for the proposed cut is the 1949 law which permits the board to assess utilities at 40 per cent of the market value instead of at the former 50 per cent.

The story indicated that the State Board of Equalization was challenging the validity of the law postponing the effective date of the 1949 law, and was proceeding to issue "tentative" utility assessments.

The loss in utility assessments within the Stockton Unified School District was placed at about \$1,000,000.00.

The story continued:

Hardest hit by the new system will be school districts, many of which in this county are levying the maximum allowable tax rate. . . .

Where this will leave some of the county's 70 school districts was not immediately ascertainable. But County Superintendent of schools, John R. Williams warned: 'It will undoubtedly be a hard blow.'

The drop in total values (Leffler's cuts plus the Board of Equalization slash) hacked a total of \$5,283,000 from the rolls of the Stockton Unified School District.

On July 20, for a third straight day, the Stockton Record carried a long news story on the assessment problem.

Briefly, the story said that San Joaquin County was preparing to join other counties in a fight against cuts in assessments of public utilities.

Four days later on July 24, a Record headline read:

NEW PUBLIC UTILITY TAX FORMULA

STIRS TORRID PROTESTS BY COUNTIES

The lead continued:

The State Board of Equalization's new formula for taxing public utilities was under fire of local officials up and down California today.

Excerpts from the story follow:

Several of the objecting counties contend use of the formula isn't legal . . .

Up on the Oregon line, Siskiyou County says it is ready to fight use of the formula. The Board of Supervisors there instructed the District Attorney to file for a court injunction.

In Sacramento, the State Association of County Supervisors said the new formula would plunge the state into financial chaos.

On August 2, assessment practices were again in the news. The Record used this headline:

NEW COUNTY TAX

FORMULA WAITED

The substance of the story is told in selected quotations:

The State Board of Equalization rebuffed in its move to lower utility company taxes, is meeting to decide what next.

The five-man board faces the job of determining how to assess the utilities in the light of the attorney general's opinion yesterday, sustaining a two-year moratorium on the state's new assessment formula.

B. E. Travis, Sacramento, Chief of the valuation division of the state board, said today that the board

has the constitutional right to reduce utility valuations. He said it can either compel the counties to increase local assessments in line with those for utilities or give the utilities a reduction.

August 3, fell on a Friday. The Record headline of that date read:

STATE HOLDS UP

TAX ROW UNTIL MONDAY

The lead continued: "The State Board of Equalization has decided to let current county tax assessments stand as they are at least until Monday."

Summarized, the story stated:

1. The State Board of Equalization has failed twice by tie votes to call for increases in county assessments.
2. The board has postponed action on a proposed cut of 20 per cent in utility assessments.
3. These actions have followed a decision by Attorney General Edmund Brown that the 1951 action of the legislature legally postponed for two years the effective date of the 1949 law on assessments.
4. The State Board of Equalization is now acting on the premise that the State Constitution gives it full power to equalize assessments.

On the very next day, August 4, the Stockton Record carried another assessment story.

San Joaquin County Assessor Wilber C. Leffler was cited as claiming:

1. That assessments in San Joaquin County are much higher than the state average;

2. That the report by the state denying this was based on a state study that sample only forty-eight parcels, which Leffler declared to be inadequate, "nothing more than a horseback ride through the country."

The State Board of Equalization again met on Monday, August 6. Tuesday's Record carried the story. The board had decided against any change in assessment practices. Immediately the Pacific Telephone and Telegraph Company served notice it would protect the utility rate.

On August 9, the Record carried a short story indicating that the revised decision would increase income to school districts. Another story on August 11 stated that the increase would amount to a 12.5 per cent increase in the assessed valuation of public utilities in San Joaquin County.

The concluding story in this series appeared in the August 18 issue of the Record.

The story began:

'The State Board of Equalization has refused to grant San Joaquin County a hearing on comparative assessed values here with other counties,' County Assessor Wilber C. Leffler said today.

The final paragraph stated:

Leffler, this year, his first in office, cut property values by \$2,930,879 for the County. An increase in public utility values, however, brought the total county assessed valuation almost to the 1950-51 level.

The political maneuvering described in these stories occurred between June 18 and August 18, 1951.

These were critical days for the school districts of San Joaquin County.

During June, school officials were preparing fiscal statistics necessary to the construction of a budget for the ensuing year.

By July 1, these preliminary budgets had to be presented to the county superintendent of schools.

On July 1, the assessor of San Joaquin County was threatening to cut assessments.

During the last week in July, school districts publish proposed budgets.

During the last week of July in 1951, the State Board of Equalization was seriously planning to cut utility assessments throughout the state by 20 per cent.

During the first week in August all school districts, except very large ones, adopt final budgets.

On August 7, 1951, newspapers carried the story of the action by the State Board of Equalization that for

another year ended the uncertainties in the utility assessment picture.

Undoubtedly, the governing boards of most school districts adopted budgets for the 1951-52 school year without knowing what utility assessments would be.

Six months later, on February 27, 1952, the Stockton Record again carried an assessment story.

The story presented two main points:

1. The State Board of Equalization is informally asking a number of counties to increase assessed valuations.
2. The request carries an implied threat that the board will arbitrarily increase assessments if the counties involved fail to do so.

On April 3, 1952, a Stockton Record headline read:

LEFFLER DENIES ASSESSMENTS LOW

AS CHARGED BY SCHOOL DISTRICT

The lead explained:

An emphatic denial to Stockton Unified School District statements that 'assessments in the Stockton Unified School District are unusually low' was made today by County Assessor Wilber C. Leffler.

The story was given thirteen columnar inches. A parallel story was captioned:

STATE BOARD HIT

ON ASSESSMENTS

The lead read:

The San Joaquin County Taxpayers Association charged the State Board of Equalization with dodging the issue of inter-county equalization of assessments.

The story developed in connection with a reply made by the State Board of Equalization to an inquiry from the taxpayer's group.

Five days later, on April 8, 1952, another assessment story was on the front page of the Record.

The headline read:

LEFFLER PLAN SAID

THREAT TO SCHOOLS

The secondary headline read:

SCHOOL HEAD OPPOSES MAJOR

REDUCTION IN ASSESSMENTS

The lead stated:

A drastic reduction in county tax assessments could mean ruin to many San Joaquin County school districts, Superintendent of Schools John R. Williams said today.

The story continued:

Williams' comments were made following a statement last week by Assessor Wilber C. Leffler, that he will reduce the assessment rolls this year unless the State Board of Equalization takes action to raise other counties.

This series of stories from the Stockton Record dramatically illustrates the fiscal uncertainties facing school districts and the amount of news space devoted to the

problem of assessment practices in relationship to school finances is strong evidence of great public concern.

To illustrate that the problem of assessments is not confined to one county, the news stories that follow are from papers other than the Stockton Record.

On July 23, 1952, the following headline stretched in a full fifteen inch spread across the front page of the Humboldt Times published in Eureka, California:

STATE ORDERS HUMBOLDT TO HIKE TAX ASSESSMENTS

The deck below read:

EQUALIZATION BOARD SAYS APPRAISALS NOT

IN LINE WITH REMAINDER OF STATE

Excerpts from the Associated Press story date-lined July 22, are quoted below:

Six California counties today were ordered by the state board of equalization to raise their assessments of land and buildings or show cause why they shouldn't.

The counties--deemed by the board to be assessing at too low a level compared with the other 52 counties in the state--are San Bernardino, Humboldt, Modoc, Stanislaus, Tulare and San Luis Obispo.

The story indicated that the counties would be expected to increase valuations by the following amounts:

San Bernardino	Land 29%	Improvements 38%
Humboldt	Land 18%	Improvements 54%
Modoc	Land 130%	Improvements 54%
San Luis Obispo	Land 90%	Improvements 67%

Stanislaus Land 29% Improvements 43%

Tulare Land 74% Improvements 21%

On the same day, headlines in the Sun-Telegram published in San Bernardino, California, asserted:

COUNTY DIRECTED TO RAISE

TAX ASSESSMENTS ON LAND

The Turlock Journal, Turlock, California, carried this headline:

STATE BOARD CALLS ON COUNTY TO

INCREASE ASSESSED VALUATIONS

On the following day, July 24, the Modesto Bee, Modesto, California, carried this headline:

STANISLAUS WILL PROTEST

RAISE IN ASSESSMENTS

The six counties affected rapidly organized to oppose the state order.

Evidence of political pressure is documented in the Modesto Bee headline of August 6.

SENATE ACTS TO AID

COUNTY ON ASSESSMENTS

An excerpt from the story stated:

By a vote of 30-2 the Senate adopted a resolution censuring the state board of equalization for what it termed a 'callous disregard for the consequences of its action.'

The Tulare Advance Register, Tulare, California, on the same day carried this headline:

COUNTY OFFICERS PROTEST

RAISE IN ASSESSMENTS

The San Bernardino Sun-Telegram flew a special correspondent to Sacramento to cover the story.

On August 8, a Sun-Telegram headline announced:

COUNTY WINS BATTLE OVER

HIKE ON TAX ASSESSMENTS

The story indicated that the final decision was reached unanimously as the State Board of Equalization met in a closed session.

A paragraph, appearing a full twelve inches below the headline, illustrates the intensity of the contest.

The paragraph read:

Most of Thursday's hearing was devoted to assessment protests by public utilities. . . : Santa Fe, Southern Pacific, Union Pacific, Pacific Electric, California Electric Power Company, Southern California Edison Company, Pacific Gas and Electric Company, and Pacific Telephone and Electric Company.

A dramatic moment in the political clash was described by the Sun-Telegram in these words:

At the conclusion of the second day of hearings Wednesday, the board cleared its hearing room of newsmen and spectators and went into executive session.

Voices engaged in vigorous argument, once rising to an angry pitch penetrated to the corridors outside . . .

The final decision of the State Board of Equalization, as arrived at on August 7, cancelled at least for the year any plans to force the six counties to revise assessments, and at the same time it denied the request of the public utilities for a decrease in utility assessments.

On August 9, the San Francisco Chronicle carried a headline reading:

SAN MATEO ASSAILS

TAX SWITCH

The story quoted James R. Tomey, San Mateo County Superintendent of Schools, as charging a "breach of faith" by the State Board of Equalization.

The county superintendent was quoted as stating that San Mateo County had increased its assessments 50 per cent on the understanding that all counties below the state average would also be required to increase assessments.

He indicated that San Mateo county schools would lose an estimated \$500,000.00 of state school funds because of the increase in assessments made within the county.

The news stories summarized in this chapter indicate the extent to which assessment practices may become matters of political expediency.

This chapter offers an additional gauge of public

concern in assessment practices.

Below are the tabulated replies received from county superintendents to questions fifteen, sixteen, and seventeen of the questionnaire form used in this study:

15. Do you feel that in your county, total assessed valuations have in the last few years kept pace with the true increase in real values? 'yes-11; no-36.'

16. Do you feel that in your county, assessed valuations have increased as rapidly as school populations have grown? 'yes-14; no-33.'

17. Do you feel that assessment practices in the various counties are so far apart as to result in significant inequities in the distribution by the state of equalization funds? 'yes-40; no-4.'

The weight of evidence seems sufficient to indicate unusual public concern with assessment problems affecting school districts.

The committee proposed in this thesis should carefully restudy the problem of assessments.

CHAPTER VI

SUMMARY AND CONCLUSION

Perhaps California's unprecedented growth is revealing defects in legal and administrative aspects of school budget procedure.

Even the casual observer is aware of that phase of the budget problem that has to do with raising sufficient funds to house and educate ever increasing school populations.

However, school officials face a maze of budget problems, some of which have no direct relationship to the ability of a community to adequately finance a desirable educational program.

This study developed out of a desire to explore the budget problem. As described in Chapter III, four research techniques were used:

1. A review of the literature in the field.
2. The interview.
3. The Questionnaire.
4. A survey of public concern with one aspect of the budget problem as measured by newspaper space devoted to assessment problems.

A review of the literature in the field revealed one study that is indispensable to an understanding of school budget procedure in California. This study, Doctor Wright's, "The Administration of California School District Budgets," proved invaluable, and is briefly reviewed in Chapter II of this thesis. Doctor Wright proposed specific, detailed revision of current budget procedure.

In general, textbook discussions of budget problems proved inadequate for purposes of this study. Two issues of The School Executive supplied excellent background material. The November, 1947, issue contained a series of articles dealing with theory and practice in budget construction. The January, 1952, issue was devoted almost entirely to the theme, "Citizens Organize For Better Schools."

The second research technique, the interview, contributed to the development of every aspect of this thesis. However, interviews were informal and no records of them were kept.

The third research technique, the questionnaire, was used to sample the opinions of trustees, school district administrators, and county school superintendents in reference to certain specific problems.

Responses revealed widespread dissatisfaction with many legal and administrative budget procedures.

An analysis of responses indicate that:

1. School officials, generally feel that the budget form is too long and too complex, at least, for the smaller school district.

2. In general, county school superintendents exercise a greater control over the construction of school district budgets than can be justified by the Education Code.

3. Legal deadlines involved in the budget transmittal schedule are frequently violated, and in a few counties are completely ignored.

4. Budget timing is poor, in that school districts can not adequately predict income at any time during the period of preparation, or in many cases prior to the deadline for final adoption.

5. Current state accounting procedure is not realistic, as far as California's many small school districts are concerned.

6. Trustees, generally, feel some of the steps in the transmittal schedule could be eliminated.

7. County superintendents, generally, feel that the transmittal schedule does not give their office sufficient

time to adequately process school district budgets.

8. The majority of county superintendents do not feel that assessments have increased as much as have real values.

9. County school superintendents are nearly unanimous in feeling that assessment practices in the various counties are so far apart as to result in significant inequities in the distribution of state equalization funds.

10. County school superintendents and school district administrators strongly backed the proposed study by a comprehensive committee, appointed by legislative or executive authority.

The fourth research technique, a survey of public concern as measured by the newspaper space devoted to assessment problems, revealed that:

1. The public is greatly concerned with assessment problems affecting schools.
2. The ratio of assessed valuations to true values differ so greatly among the various counties of the state as to cause serious inequities in the distribution of state funds for:
 - a. Equalization purposes;
 - b. School building purposes.

In conclusion, there are certain lessons to be learned from experience. Doctor Wright incorporated some of his proposed revisions in a bill that was introduced in the 1951 session of the legislature. As stated in Chapter II, only technical modifications remained in the bill when it became law.

There are two distinct aspects to any study proposing revision of current procedure:

1. Establishing need for change.
2. Translating the need into revision.

Doctor Wright presented an excellent case for the removal of all tax limitations applicable to school district budgets. Yet, his influence, standing alone or perhaps with some additional backing, was not sufficient to gain a careful survey of this proposal.

Current educational literature is replete with evidence that school officials at the school district level are recognizing more and more the importance of including the general public in the planning stage of any program advocating change. A community that is asked to share a school district problem is in the position of pooling the resources of many persons of wide experience in seeking a solution to its particular problem.

Traditionally, citizens' committees have worked at the school district level. As this study developed, the question arose: Why can not a citizens' committee function at the state level to resolve the school budget problem?

Standing alone an advocate of needed change has little chance of success. As a member of an important comprehensive committee the same advocate may gain for his proposal the support of a group so influential as to require serious legislative consideration.

On the other hand, excellent proposals sometimes fail because of minor elements of weakness. The combined wisdom of a committee should eliminate the unacceptable aspects of an otherwise strong proposal, and, finally, a program that has been tested in committee debate, by such a committee as has been advocated in this study, will certainly receive serious consideration by the state legislature.

This study has identified some areas that a committee will need to explore. Other areas of equal importance may have been overlooked. One of the advantages of study by a comprehensive committee is that the combined experience of the whole will be so extensive as to make certain that every important aspect of the problem will be reviewed.

No pretense of suggesting solutions has been made, except when it seemed necessary to discuss a possible solution in order to identify a problem. The implications of this study permit only one conclusion. The problem is too involved and too technical to be solved by piecemeal methods.

Evidence presented illustrates the confusion surrounding budget procedure. Confused budget processes must inevitably be reflected, to a degree, in the educational program, for the first and ultimate purpose of a school district budget is to provide a plan for the education of the children and youth of a community.

A comprehensive committee, conscious of its responsibility for sound educational planning at the state level, holds great promise as a method of approaching a solution to the school budget problem.

BIBLIOGRAPHY

BIBLIOGRAPHY

A. NEWSPAPERS

Modesto Bee, July 24, 1952.

Modesto Bee, August 6, 1952.

San Francisco Chronicle, January 8, 1950, signed article by
Elmonte Waite.

San Francisco Chronicle, August 9, 1952.

Stockton Record, June 18, 1951.

Stockton Record, July 18, 1951.

Stockton Record, July 19, 1951.

Stockton Record, July 20, 1951.

Stockton Record, July 24, 1951.

Stockton Record, August 2, 1951.

Stockton Record, August 3, 1951.

Stockton Record, August 4, 1951.

Stockton Record, August 7, 1951.

Stockton Record, August 11, 1951.

Stockton Record, August 18, 1951.

Stockton Record, February 27, 1952.

Stockton Record, April 3, 1952.

Stockton Record, April 8, 1952.

Stockton Record, April 14, 1952.

The (Eureka, California) Humboldt Times, July 23, 1952.

The (San Bernardino, California) Sun-Telegram, July 23, 1952.

The (San Bernardino, California) Sun-Telegram, August 8, 1952.

The Turlock Journal, July 23, 1952.

The Tulare Advance Register, August 6, 1952.

B. PERIODICAL ARTICLES

Akerly, Harold E., "The Budget Procedure-Step-By-Step," The School Executive, LXVII (November, 1947).

Anderson, Walter A., "Functions in School Budget Making," The School Executive, LXVII (November, 1947).

Clark, Zenas R., "Necessary Information For Making The Budget," The School Executive, LXVII (November, 1947).

Engelhardt, N. L., "The School Budget As An Administrative Control," The School Executive, LXVII (November, 1947).

Fowlkes, John Guy, "School Policies and The Budget," The School Executive, LXVII (November, 1947).

Lewis, John W., "The Operation of The Budget," The School Executive, LXVII (November, 1947).

McCunn, D. J., "Presenting the Budget to the Board and Community," The School Executive, LXVII (November, 1947).

Strayer, George D., "Making and Using A Budget Calendar," The School Executive, LXVII (November, 1947).

The School Executive, LXXI (January, 1952). Complete issue devoted to "Citizens Organize for Better Schools."

C. CALIFORNIA STATE PUBLICATIONS

California School Accounting Manual, bulletin of the State Department of Education, XX (March, 1951).

California State Constitution, Article IX, Section 6. (As amended by Constitutional initiative, November 4, 1952).

Education Code, State of California. Sacramento: California State Department of Education, Printing Division, Documents Section.

Revenue Law of California, compiled by Dixwell L. Pierce, State Board of Equalization, 1951.

D. UNPUBLISHED MATERIALS

McKnight, Bruce, "Analysis of Equalization Aid from the State of California." Mimeographed report prepared for the San Joaquin County Assessor, mimeographed by Stockton Unified School District.

Wright, Frank Moore, "The Administration of California School District Budgets." Unpublished Doctor's dissertation, The University of Southern California, Los Angeles, 1950.

APPENDIX

STATE OF CALIFORNIA

Governor's Office
Sacramento, California

January 25, 1952

Mr. Robert Lee
Superintendent
Turlock Elementary Schools
P. O. Box 408
Turlock, California

Dear Mr. Lee:

In response to your request I am enclosing a list of the principal conferences called by Governor Warren to study specific problems and recommend appropriate action.

With best wishes,

Sincerely yours,

JAMES H. OAKLEY
Executive Secretary

JHO:fk
Encl. (1)

LIST OF MAJOR CONFERENCES CALLED BY
GOVERNOR EARL WARREN

<u>CONFERENCE ON:</u>	<u>YEAR</u>	<u>PLACE</u>	<u>Approx. number of people in ATTENDANCE</u>
Crime and Juvenile Justice	1947	Sacramento	1200 - 2000 (?)
Employment	1949	Sacramento	2300
Mental Hygiene	1949	Sacramento	900
Problems of the Aging	Oct. 1951	Sacramento	2487
Safety			
Traffic (1st)	1946	Sacramento	190
Traffic (2nd)	1946	Sacramento	280
Traffic	Dec. 1950	Sacramento	565
Traffic	Oct. 1951	Sacramento	715
Industrial	1950	Los Angeles	500
Joint Traffic, Industrial and Home	1949	Los Angeles	600
Senile Aged	1950	Sacramento	120
Sex Crimes	1949	Sacramento	75
Water	1945	Sacramento	636
Youth	1948	Sacramento	1900
Youth	1950	Sacramento	2600

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

REPORT OF SURVEY UNDER SECTION 1831,
REVENUE AND TAXATION CODE

of relative assessment ratios as of the first
Monday in March of 1951 for purposes of
equalization, pursuant to Article 1, Chapter 2,
Part 3, Division 1 of that Code.

<u>COUNTY</u>	<u>RATIO</u>	<u>COUNTY</u>	<u>RATIO</u>
Alameda	37	Lassen	32
Alpine	32	Los Angeles	43
Amador	43	Madera	39
Butte	39	Marin	36
Calaveras	44	Mariposa	36
Colusa	36	Mendocino	42
Contra Costa	34	Merced	36
Del Norte	36	Modoc	32
El Dorado	43	Mono	39
Fresno	44	Monterey	39
Glenn	44	Napa	40
Humboldt	33	Nevada	30
Imperial	36	Orange	46
Inyo	37	Placer	36
Kern	39	Plumas	40
Kings	44	Riverside	43
Lake	40	Sacramento	34

REPORT OF SURVEY UNDER SECTION 1831,
REVENUE AND TAXATION CODE
(continued)

<u>COUNTY</u>	<u>RATIO</u>	<u>COUNTY</u>	<u>RATIO</u>
San Benito	32	Siskiyou	37
San Bernardino	32	Solano	37
San Diego	39	Sonoma	42
San Francisco	44	Stanislaus	33
San Joaquin	40	Sutter	44
San Luis Obispo	33	Tehama	40
San Mateo	29	Trinity	24
Santa Barbara	40	Tulare	32
Santa Clara	39	Tuolumne	46
Santa Cruz	32	Ventura	37
Shasta	27	Yolo	36
Sierra	36	Yuba	40

Statewide weighted ratio: 40

The foregoing ratios were determined by the State Board of Equalization at Sacramento, California, on July 16, 1951, in conformity with the provisions of Section 1832 of the Revenue and Taxation Code.

DIXWELL L. PIERCE,
Secretary

The complete budget will be found inside the back cover of the thesis.

District of _____

County, California

1. GRADE SPAN OF DISTRICT

[illegible]

(Check lowest and highest grade maintained in the schools of the district for each year)

2. AVERAGE DAILY ATTENDANCE (all grades in the schools of the district) { 1951-52 Actual (or estimate)
1952-53 Budget estimate

3. TABLE OF CONTENTS

This budget shall include, in summary form, all financial transactions of the district for the fiscal year 1951-52 (Actual, or partially estimated as may be necessary) and for the fiscal year 1952-53, as officially proposed.

This budget shall be the pattern for: 1) the establishment and maintenance of accounting records during the ensuing 12 months of the budget year and, 2) the preparation of annual reports at the end of the budget year, 12 months hence.

Separate pages are provided for the several funds established or authorized by the statutes. Districts may use only those pages needed for the Special Funds or Accounts active in one or both fiscal years. Show by check mark in the spaces below that the pages for the various special funds are "used" or "not used".

Page		Used	Not Used
1	Grade span; A.d.a.; Table of contents; Adoption record; (Budget calendar and instructions on reverse)	X	
2	Summary of current district tax requirements (secured roll)	X	
3	Analyses of certain restricted taxes	X	
	Part Fund		
4, 5, 6	One GENERAL FUND	X	
7	Two BOND INTEREST AND REDEMPTION FUND		
8	Three BUILDING FUND		
9	Four SPECIAL ACCUMULATIVE BUILDING FUND		
10	Five EMERGENCY SCHOOL BUILDING FUND		
11	Six PUBLIC SCHOOL BUILDING FUND		
12	Seven CAFETERIA (specify "fund" or "account")		
13	Eight CHILD CARE CENTER FUND		
14	Nine (specify name of other fund)		

4. NOTICES OF ADOPTION AND TRANSMITTAL

All actions shall be taken on this budget during regular or authorized special meeting of the governing board.

TO THE COUNTY SUPERINTENDENT OF SCHOOLS:

a. **TENTATIVE BUDGET.** This budget is hereby filed by the governing board of the school district.

Date of meeting _____, 1952 Signed _____ Clerk/Secretary

b. **PUBLICATION BUDGET.** The governing board, having made on _____, 1952 such revisions, additions, and changes as it deems desirable or necessary, pending publication, public hearing and final adoption, hereby returns the budget.

The public hearing on this budget will be held at

(Place)

on _____, 1952 at _____ o'clock m.

Signed _____ Clerk/Secretary

c. **ADOPTED BUDGET.** This budget was adopted subsequent to public hearing (except in districts not required to hold a public hearing) by the governing board of the district.

Date of meeting _____, 1952 Signed _____ Clerk/Secretary

TO THE BOARD OF SUPERVISORS, THE COUNTY AUDITOR, AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION:

This budget has been examined and approved by

(County Superintendent of Schools)

1952 By _____ Deputy _____

PLEASE REFER TO GENERAL INSTRUCTIONS ON THE OTHER SIDE

BUDGET CALENDAR

FINAL DATE OR PERIOD	ACTION	EXPLANATION	ED. CODE SECTION
Before July 1	File Tentative Budget	Each school district shall file a Tentative Budget with the county superintendent of schools.	6301 (a)
Before July 15	County returns Tentative Budget	The county superintendent of schools shall examine and correct the Tentative Budget, indicate changes he deems desirable or necessary, and return the budget to the governing board with information necessary to determine the tax requirement.	6304
July 20	File Publication Budget	The governing board shall make such changes in the Tentative Budget as it deems desirable or necessary and return the budget to the county superintendent of schools. A copy of all Publication Budgets shall be sent to the county auditor in such form through the county superintendent of schools.	6305 (Gov. Code) 29171
July 20	Adoption of Budget (by certain districts)	The governing board in districts not required to hold a public hearing, that is, if no district tax is required, or in elementary districts employing but one teacher, shall adopt the budget and file it with the county superintendent of schools for his use and transmittal to the board of supervisors, the county auditor and the Superintendent of Public Instruction.	6306 (a) 6334
July 25-31	Publication of Budget	The county superintendent of schools shall publish the Budget for each district, except for those not required to hold a public hearing, at least once in a newspaper of general circulation.	6334
August 1-7	Public Hearing	The governing board of each district, except as hereinabove stated, shall hold a public hearing on the Budget.	6334
August 8 (10)	Adoption and Filing of Budget	The governing board of each district required to hold a public hearing shall adopt and file the Budget with the county superintendent of schools after the hearing, provided that districts in which there is an average daily attendance of more than 10,000 shall adopt and file the Budget on or before August 10.	6306 (a)
August 15	Transmittal to county and state officials	The county superintendent shall approve the Budget as adopted by the governing board and file a copy with the board of supervisors, the county auditor, and the Superintendent of Public Instruction.	6306 (b)

GENERAL INSTRUCTIONS

- OFFICIAL FORM FOR ALL SCHOOL DISTRICT BUDGETS.** This official budget form shall be employed by the governing board of each school district of each type and class in submitting its budget to the county superintendent of schools as required by the provisions of Education Code Section 6303. Supplementary documents for additional detail, not inconsistent with this form, are often desirable in larger districts; and the Detailed Estimate of Proposed Expenditures and Transfers of the General Fund, Form No. J-42, is recommended for use by all other districts.
A unified school district shall prepare a single budget, comprising elementary and high school, or elementary, high school, and junior college levels, as appropriate.
- LEGAL REQUIREMENTS.** For specific instructions concerning the schedule of dates upon which action must be taken on this budget and the procedures to be employed, please refer to the budget calendar above, to Constitution Article IX, Section 6, and to the Education Code, especially to Sections 6301-6310, inclusive, Section 1306b, Section 4963.1, 4963.2, 5004, 6334 and 6335, and Sections 6351-6361, inclusive, and to Government Code Section 29171.
- DISTRICT RESPONSIBILITY.** This budget shall be made out in its entirety by the proper officials of the school district, subject to correction, if necessary, and as required by law, by the county superintendent of schools of any incorrect or incomplete entries of data for the fiscal year 1951-52 (column 1 on pages 4 and following) as well as entries of cash in county treasury on June 30, 1952 (column 1) or July 1, 1952 (column 2), and entries of estimated income from State School Fund apportionments and allowances for the fiscal year 1952-53 (column 2). All entries (except those relating to Tax Rates on page 2) should be in dollars only, omitting cents.
- COUNTY SUPERINTENDENT'S RESPONSIBILITY.** The county superintendent of schools shall enter in this budget all data for the fiscal year 1951-52 (column 1), balances of cash in the county treasury on July 1, 1952 (column 2), and estimates of income from sources other than current district taxes required to balance the budget 1952-53 (column 2); if such entries have not been made by the school district, and shall verify and correct, as necessary, any entries of such amounts by the district.
The county superintendent of schools shall examine all other entries of the district, that is, the proposed expenditures and transfers, undistributed reserve, and general reserve in the tentative budget, and shall indicate to the governing board of the district the changes he deems desirable or necessary. The county superintendent of schools shall determine or verify the amount of current district taxes required to balance budget 1952-53 to be levied upon the secured tax roll. The county superintendent of schools shall approve the adopted budget.
- COUNTY AUDITOR'S RESPONSIBILITY.** The county auditor, acting for the county board of supervisors, shall compute the several current district tax rates to be levied on the secured roll by dividing the several current tax requirements for 1952-53, as shown in the summary on page 2 of this budget, by 90% of the assessed valuation on the secured tax roll (Ed. Code Section 6356). The tax rates shall be the quotients so determined, provided, however, that for those purposes which are subject to tax rate limits the rate shall be the computed rate or the limit rate, whichever is the lesser.
- OFFICIAL ACTIONS AND RECORDING.** All action on this budget must be taken by the governing board of the school district in a regular or special meeting, and must be recorded in the minutes of the board.
- NUMBER OF COPIES.** A minimum total of six copies of the budget shall be prepared for distribution as follows: (a) school district, (b) county superintendent of schools, (c) county auditor, copy of Publication Budget as resubmitted not later than July 20th, (d) county auditor, copy of Adopted Budget, (e) county board of supervisors, copy of Adopted Budget, (f) State Department of Education, copy of Adopted Budget. The county superintendent of schools shall transmit a copy of the Adopted Budget to the county auditor, the county board of supervisors, and to the Bureau of School Accounts and Records, State Department of Education, Sacramento 14, not later than August 15th. County superintendents, at their discretion, may require a lesser number from certain districts during the preliminary stages (July 1st Tentative Budget and July 20th Publication Budget). More than six copies will frequently be desirable, specifically in the case of the larger districts: to provide a complete copy for transmittal to a newspaper for publication, or to provide a copy in district files at all times, or for other purposes.
- PRELIMINARY DRAFTS.** Unless separate sets of blanks are used for each of the three chronological stages of the budget it is suggested that all entries in the Tentative Budget and the Publication Budget should be made in pencil in order that changes may be made without defacing the budget.
- TWO-YEAR COMPARISON.** Column 1 of the budget provides for actual (final) or estimated (semi-final) data from school district (or county superintendent of schools) records of income and expenditures for the year 1951-52 for comparative purposes. Except in districts in which a separate annual financial report is prepared as directed by Education Code Section 6331, column 1 of the Adopted Budget shall be as accurate as possible as of August 1; in all cases the data shall be substantially the same as those contained in official reports, including State Form No. J-26.
- BALANCING OF INCOME AND OUTGO.** The sequence of—Beginning Balance, July 1, plus income REQUIRED TO EQUAL Expenditures plus Ending Balance, June 30—has been designed to follow, substantially, the sequence employed in the Annual Report of the Public Schools, Form No. J-26. In the preparation of this budget it is recommended that if possible all entries be made and balanced in column 1 (even though partially on an estimated basis) prior to and as a guide for the preparation of entries for column 2 for the ensuing budget fiscal year.
- ACCOUNTING MANUAL.** THE CALIFORNIA SCHOOL ACCOUNTING MANUAL, A Bulletin of the California State Department of Education, Vol. XX, No. 2, March, 1951 shall be used as a guide to accounting, including the classification of expenditures and may be useful as a check list to avoid omission of budget provision for essential purposes.

Ray E. Simpson
Superintendent of Public Instruction

BUDGET

District of _____ County, California
SUMMARY OF CURRENT DISTRICT TAX REQUIREMENTS FOR 1952-53
To be derived by levy on the *secured* roll

For use of school district and county superintendent of schools					For use of county auditor (or for the entry of data secured from him)	
PART	FUND AND PURPOSE	SEE BUDGET PAGE	AMOUNT OF TAXES REQUIRED	TAX RATE LIMIT	TAX RATE	
1	2	3	4	5	COMPUTED	LEVIED
A Gross General Purposes Tax Requirements	1. General Fund	4	\$			
	2. Special Accumulative Building Fund	9				
	3. Total (A1. and A2.)		\$			
B Deduction of General Purposes amounts exempt from tax rate limit or subject to special tax rate limits	Exempt portions of General Fund Requirement entered on line A1:					
	1. Community Services (individually restricted) (Education Code Section 6357.2)	3, 6	\$	\$0.05	\$	\$
	2. Annual repayment on account of Public School Building Fund Apportionment (Education Code Section 5063)	3, 6	(Anal. A, Line 7)	no limit		
	3. Other exempt items for which separate tax rate, in total, is needed:		(Anal. B, Line 7)			
	(a) District contribution to employees retirement under State Employees Retirement System (Government Code Section 20532)	3, 5		no limit		
	(b) Rental of property of component districts (Education Code Section 4963.2)	3, 5		no limit		
	(c) Meals for needy pupils (Education Code Section 16420)	3, 6		no limit		
	(d) Tuition for interdistrict kindergarten attendance (Education Code Sections 1503.4, 6357.1)	3, 6		\$0.10		
	(e) Total 3.(a) to 3.(d) incl.		\$	no limit	\$	\$
	4. Total B1., B2., and B3. (e)		(Anal. C, Line 7)			
C Net General Purposes Tax Requirements subject to tax rate limit	Net General Purpose subject to tax rate limit (A3. minus B4.)		\$	see Part G	\$	\$
D Child Care	CHILD CARE CENTER FUND Child Care Center Fund (Education Code Section 19613.6)	13	\$	no limit	\$	\$
E Retirement Tax (local system only)	RETIREMENT TAX FUND District contribution to employees Retirement Plan (Education Code Sections 14725, 14775)	14	\$	no limit	\$	\$
F Bond interest and redemption	INTEREST AND REDEMPTION FUND Bond interest and principal payments	7	\$	no limit	\$	\$ (Bond rate; same as column 6)

G. The TAX RATE LIMIT for GENERAL PURPOSES entered in column 5, Part C, is the STATUTORY LIMIT or VOTED LIMIT, whichever applies, as shown below. This is the limit for the General Fund and Special Accumulative Building Fund (Part A) excluding those General Fund purposes which are exempt from the tax rate limit, as shown in Part B.

1. STATUTORY LIMIT. The rate authorized for this school district by Education Code Section 6357, subsection _____;

or 2. VOTED LIMIT. The rate authorized by an election held _____ (date) as provided by Education Code Section 6358 (or 4965.1) whereby the maximum rate was increased from \$ _____ to \$ _____ to provide money for the purpose of _____

for the year or years 19 _____ -19 _____ to 19 _____ -19 _____.

SEE SPECIAL INSTRUCTIONS ON REVERSE OF PAGE 2

SPECIAL INSTRUCTIONS FOR PAGE 2

1. **SUMMARY FOR SECURED ROLL ONLY.** This summary shall be employed for current district taxes to be derived by levies on the secured roll only; no amounts relating to taxes on the unsecured roll shall be included.
2. **SOURCE OF ENTRIES.** All amounts entered in this summary shall be derived from the detailed pages of the budget as indicated in column 3 of the summary and these special instructions.
3. **DETERMINATION OF TAX REQUIREMENTS.** The determination of current district taxes on secured roll required to balance budget 1952-53 for the General Fund as shown on page 4 of the Budget can be made only after all other entries for the General Fund have been made. The total of IV. Expenditures (proposed) and V. Ending Balance, June 30, shall be entered as VI., a grand total. This grand total shall then be carried back to Item III. After I. Beginning Balance July 1, and II. Income other than Current District Taxes on Secured Roll have been completed, the necessary tax amount shall then be computed as the amount required to produce the predetermined grand total, III.
4. **PREPARATION OF SUMMARY.** The current district taxes on the secured roll required to balance budget 1952-53 shall be entered in this summary in Part A, on lines 1 and 2, and parts D, E, and F, in the amounts shown in column 2 of the several budget pages for the several funds as indicated in reference column 3 of this summary.
5. **IMPORTANT—SPECIAL PROCEDURE FOR EXCESS TAX.** If the tax rate limit otherwise established for all general fund purposes is inadequate, and provided the governing board of the school district decides (where discretionary authority is granted by law) that a tax in excess of the limit shall be levied, the maximum amounts shown in any one or more of the three analyses on page 3, on line 7 of the several analyses, in column 2 of Analyses A and B, and column 6 of Analysis C, shall be entered in this summary on lines B1, B2, for Analyses A and B, respectively, and in the case of Analysis C, shall be divided among the purposes named in columns 2 to 5, inclusive, on lines B3(a) to B3(d), respectively.
6. **COUNTY AUDITOR'S COMPUTATION OF TAX RATE.** As specified in General Instruction No. 5, the county auditor shall compute the tax rates by dividing the amounts shown in column 4 of this summary in Part B, on lines B.1, B.2, and B.3(e), and also in Parts C, D, E, and F, by 90% of the assessed valuation on the secured roll (Education Code Sections 6351 and following). The quotients so derived shall be entered on the appropriate lines in column 6. The rates to be levied shall be the amounts computed and entered in column 6 or the tax rate limits, if any, specified in column 5, whichever is the lesser in each case. The rates to be levied, so determined, should be recorded in column 7 for the purposes of preparing any local tax guide or other publication of tax data and for use in making any reports required by law.
The County Auditor (of the County of Butte) shall, under the authority of Education Code Section 7656 (1952), during the fiscal year 1952-53 (and during each of the three succeeding fiscal years) levy a school district tax or taxes in excess of the maximum rates otherwise permitted by law in such amount as shall be necessary to produce in each such fiscal year one-fourth of the apportionment made for any district under Education Code Section 7651 (1952).
7. **MINIMUM RATES FOR STATE AIDS.** Refer to the latest statutes or consult your county superintendent of schools for information regarding local tax rates required for certain allowances of State Aid.
8. **NO GUARANTEE OF TAXES ADEQUATE TO BALANCE BUDGET.** Please note carefully that neither the adoption of a budget nor the approval thereof by the county superintendent of schools guarantees receipt of taxes equal to the full amounts of the tax requirements shown hereon, especially if such amounts are greater than can be produced by tax levies at the maximum rates.

SPECIAL INSTRUCTIONS FOR PAGE 3

1. **WHEN USE OF THESE ANALYSES IS REQUIRED.** The following analyses, or such of them as may be appropriate, and the corresponding segregated expenditure lines, that is, lines for classes 6-(1) and 6-(2), on page 5, and lines 8-(1), 9-(1), Annual Repayment on Account of Public School Building Apportionment, and T-(1) on page 6 of this budget, shall be employed in the budget of any school district for which there was levied during the fiscal year 1951-52, or for which it is proposed that there shall be levied during the fiscal year 1952-53, a district tax at a rate in excess of that specified by Education Code Section 6357, or authorized by election under Education Code Section 6358, for one or more of the six General Fund purposes specified in these analyses. These portions of the budget need not be used by other school districts. No data pertaining to Child Care Center Funds, nor to Retirement Tax Funds for a (local) district retirement plan (Education Code Sections 14725, 14775), shall be employed in the preparation of these analyses.
2. **EXCESS RATES DEFINED.** Excess rates as employed herein shall mean the amounts by which the general purposes tax rate exceeded the tax rate limit established by statute or by election in order to provide funds for the several general fund purposes named in the analyses, only.
3. **SPECIAL ACCOUNTING FOR VOTED EXCESS TAXES.** Any tax derived by an excess rate authorized by an election under Education Code Section 6358 for limited purposes only shall be restricted on the basis of an analysis comparable with these analyses supplied by the school district and approved by the county superintendent of schools.
4. **LIMIT ON KINDERGARTEN TUITION TAX.** No tax shall be levied in excess of the maximum otherwise established on account of tuition for interdistrict kindergarten attendance (column 5) at an additional rate of more than ten cents.
5. **USE OF AMOUNTS DETERMINED BY THESE ANALYSES.** The amounts determined as Item 7 in each of the following analyses shall be entered in the Summary of Current District Tax Requirements for 1952-53 to be derived by levy on the secured roll, on page 2 of this budget, on lines B1, B2, for Analyses A and B respectively, and, in the case of Analysis C, shall be divided among the purposes named in columns 2 to 5, inclusive, in amounts not exceeding those entered as Item 6, respectively and these amounts shall be the amounts shown in the Summary of Current District Tax Requirements for 1952-53, on page 2 of this budget, on lines B3(a) to B3(d), respectively.

District of _____ County, California
**ANALYSES OF GENERAL FUND TAXES
EXEMPT FROM, OR SUBJECT TO SPECIAL,
TAX RATE LIMITS**

ITEM	PURPOSE
ANALYSIS A Community Services - Special Five-Cent Limit (See Part B.1, of Summary of Current District Tax Requirements for 1952-53 - page 2)	COMMUNITY SERVICES (Education Code Section 6357.2)
1	2
1. Restricted balance July 1, 1951	None
2. Computed tax receipts 1951-52:	None
a. \$ _____ times \$ _____ (Secured roll 1951-52) (Excess rate 1951-52)	None
b. \$ _____ times \$ _____ (Unsecured roll 1951-52) (Excess rate 1950-51)	None
c. Total (a plus b)	None
3. Actual expense 1951-52 (secure this amount from appropriate entry in column 1 from indicated page)	\$ _____ (page 6, column 1)
4. Restricted balance June 30, 1952 (1 plus 2c minus 3)	None
5. District taxes on unsecured roll estimated for 1952-53:	None
a. \$ _____ times \$ _____ (90% Unsecured roll 1952-53) (Excess rate 1951-52)	None
6. Amount budgeted 1952-53 (secure this amount from appropriate entry in column 2 from indicated page)	(page 6, column 2)
7. Maximum amount to be entered in the Summary of Current District Tax Requirements for 1952-53 to be derived by levy on the secured roll (6 minus 4 and 5) (Enter on page 2, line B1, column 4)	
ITEM	PURPOSE
ANALYSIS B Repayment to State - No Limit (See Part B.2, of Summary of Current District Tax Requirements for 1952-53 - page 2)	ANNUAL REPAYMENT ON ACCOUNT OF PUBLIC SCHOOL BUILDING FUND APPORTIONMENT (Education Code Section 5063)
1	2
1. Restricted balance July 1, 1951	None
2. Computed tax receipts 1951-52:	None
a. \$ _____ times \$ _____ (Secured roll 1951-52) (Excess rate 1951-52)	None
b. \$ _____ times \$ _____ (Unsecured roll 1951-52) (Excess rate 1950-51)	
c. Total (a plus b)	
3. Actual expenditure 1951-52 (secure this amount from appropriate entry in column 1 from indicated page)	(page 6, column 1)
4. Restricted balance June 30, 1952 (1 plus 2c minus 3)	
5. District taxes on unsecured roll estimated for 1952-53:	
a. \$ _____ times \$ _____ (90% Unsecured roll 1952-53) (Excess rate 1951-52)	
6. Amount budgeted 1952-53 (secure this amount from appropriate entry in column 2 from indicated page)	(page 6, column 2)
7. Maximum amount to be entered in the Summary of Current District Tax Requirements for 1952-53 to be derived by levy on the secured roll (6 minus 4 and 5) (Enter on page 2, line B2, column 4)	

ITEM	PURPOSE				
ANALYSIS C Other General Purpose Items Not Individually Restricted (See Part B.3, Lines a. to d., Summary of Current District Tax Requirements for 1952-53 - page 2)	District Contribution to Empl. Retire. Under State Empl. Ret. System (Gov. Code Section 20532)	Rent of Property of Component Dist. (Ed. Code Secs. 4963-4963.3)	Meals For Needy Pupils (Ed. Code Sec. 16420)	Tuition For Interdistrict Kindergarten Attendance (Ed. Code Sections 1503.4, 6357.1)	Total (Sum of Cols. 2, 3, 4 and 5)
1	2	3	4	5	6
1. Restricted balance July 1, 1951					
2. Computed tax receipts 1951-52:					
a. \$ _____ times \$ _____ (Secured roll 1951-52) (Excess rate 1951-52)					
b. \$ _____ times \$ _____ (Unsecured roll 1951-52) (Excess rate 1950-51)					
c. Total (a plus b)					
3. Actual expense 1951-52 (secure these amounts from appropriate entries in column 1 from indicated pages)	\$ _____ (page 5, col. 1)	\$ _____ (page 5, col. 1)	\$ _____ (page 6, col. 1)	\$ _____ (page 6, col. 1)	
4. Restricted balance June 30, 1952 (1 plus 2c minus 3)					
5. District taxes on unsecured roll estimated for 1952-53:					
a. \$ _____ times \$ _____ (90% Unsecured roll 1952-53) (Excess rate 1951-52)					
6. Amount budgeted 1952-53 (secure these amounts from appropriate entries in col. 2 from indicated pages)	\$ _____ (page 5, col. 2)	\$ _____ (page 5, col. 2)	\$ _____ (page 6, col. 2)	\$ _____ (page 6, col. 2)	
7. Maximum amount to be entered in the Summary of Current District Tax Requirements for 1952-53 to be derived by levy on the secured roll (6 minus 4 and 5) (Enter on page 2, lines B3a to B3d, column 4)					

SEE SPECIAL INSTRUCTIONS ON REVERSE OF PAGE 2

SPECIAL INSTRUCTIONS FOR PAGE 4

1. Entries in column 1 on pages 4 and following of this budget shall be made by the county superintendent of schools, or if made by the school district shall be verified and corrected as necessary by the county superintendent of schools.
2. I. Beginning Balance in column 2 shall be the same as V. Ending Balance in column 1, on page 6, subject to correction of semi-final estimates.
3. Cash in County Treasury shall mean the balance shown by the books of the county auditor.
4. Certain accounts, such as Revolving Cash Fund, Cash Collections awaiting deposit, Investments in U. S. Bonds, Accounts Receivable, Stores, and Prepaid Expenses are provided especially for the use of larger school districts. These accounts shall be used whenever needed.
5. Include also in this item investments in notes, bills, or certificates issued by the United States as authorized by Education Code Section 5007.
6. The Stores account in I. Beginning Balance and V. Ending Balance shall be employed by those districts which have established a Revolving Fund for Warehouse Stock (Education Code Sections 5921 through 5925).
The Stores account in I. Beginning Balance and V. Ending Balance shall be employed by those districts which maintain an accounting for Stores in central warehouses without having established Revolving Funds for Warehouse Stock.
The increase or decrease during the fiscal year 1951-52 in the value of the Stores inventory is shown by the change in the Stores account in I. Beginning Balance to the Stores account in V. Ending Balance in column 1.
The proposal to start a Stores system or to increase the amount of Stores should be budgeted by the entry in a Stores account in V. Ending Balance in column 2 of an amount greater than the entry in Stores in I. Beginning Balance in column 2 by the amount of the proposed increase. Conversely, any proposal to reduce or discontinue a Stores system should be budgeted in a reverse manner.
7. II. Income should be on the partial accrual basis. Include amounts accrued but uncollected as of June 30, which are reported also as Accounts Receivable on Form No. J-43-A at the close of the fiscal year.
8. Include Basic State Aid, State Equalization Aid, and allowances under Education Code Section 7118 (Stats. 1952, Chap. 12 - A. B. 47). Enter on the several lines for State School Fund apportionments and allowances, on page 4, in column 2, the total estimated amounts to be apportioned from the State School Fund. Do not use reduced estimates on account of withholding by the State Controller of Annual Repayments on account of Public School Building Apportionments.
9. Prior years' taxes may be applied to Current Liabilities in excess of Total Current Assets to the extent authorized by Section 18 of Article XI of the State Constitution.
10. Funds derived from the sale of real property (Education Code Section 18603) or from insurance indemnities, required to be reserved for capital outlay purposes only should be deposited in the Building Fund (see page 8); or should be budgeted for capital outlay if deposited in the General Fund.
11. Enter in tax Summary, page 2, line A.1; see also Analyses, page 3.

BUDGET

District of _____

County, California

PART ONE—GENERAL FUND

(Education Code Section 5003)

COL. 1 COL. 2

1951-52

ACTUAL OR

ESTIMATED 1952-53

BUDGET

I. BEGINNING BALANCE, JULY 1:

Cash in County Treasury		
Cash in _____ Bank (School Fund Account only)		
Revolving Cash Fund (Ed. Code Section 5901-5905)		
Cash Collections awaiting deposit (Ed. Code Sections 5002-5006)		
Investments in U. S. Bonds (at cost; Ed. Code Section 5007)		
Accounts Receivable (reported on Form No. J-43-A)		
Stores		
Prepaid Expenses		
Total Current Assets		
Less: Current Liabilities (Reported on Form No. J-43)		
Net Beginning Balance		

II. INCOME

Federal State Vocational Education apportionments		
Federal Financial Assistance under Public Law 874		
Federal Aid for Veterans Education		
Other Federal Subventions		
State School Fund Apportionments and Allowances:		
Apportionments on A.D.A.		
Allowances for excess expenses (Exceptional Minors)		
Allowances for transportation		
Apportionment for Current Growth		
Other State Aid		
County Aid:		
Tax on Solvent Credits		
Prior Years' (County) Taxes (levied prior to 1933-34)		
Junior College Tuition Tax		
Apportionments from County School Service Fund		
Other County Aid		
Tuition Transfers from other Districts		
Other Transfers from other Districts or Funds		
Other Income ²⁰		
Municipal Taxes for Schools		
District Taxes on Unsecured Roll:		
Amount received 1951-52		XXXXXXXXXX
Amount estimated for 1952-53 (as follows)		XXXXXXXXXX
Unsecured Roll, 1952-53		
Not more than 10% for Delinquency		
General Purpose Tax Rate 1951-52		
Prior Years' District Taxes ⁹		
Total Income other than Current District Taxes on secured roll		
Current District Taxes on Secured Roll:		
Amount received 1951-52		XXXXXXXXXX
AMOUNT REQUIRED TO BALANCE BUDGET 1952-53 ²¹		XXXXXXXXXX
Total Income (exclusive of I Beginning Balance)		

III. TOTAL NET BEGINNING BALANCE PLUS TOTAL INCOME

(I plus II; must equal VI)

This district maintains _____ School Fund Accounts, included in Part One, General Fund.

SEE SPECIAL INSTRUCTIONS ON REVERSE OF PAGE 3

1. 6000, 14-2, 0.01 mm²

**Annual Repayment on Account of
Public School Building Apportionment
T-Transfers
Undistributed Reserve
(appropriation only)**

BUDGET

District of

County, California

PART ONE—GENERAL FUND—Continued

IV. EXPENDITURES AND TRANSFERS

COL. 1
1951-52
ACTUAL, OR
ESTIMATED
COL. 2
1952-53
BUDGET

1-ADMINISTRATION

Salaries and Wages

Other Expense

Total

2-INSTRUCTION

2a-Certificated Salaries of Instruction

2b-Other Salaries of Instruction

2c-Other Expenses of Instruction

Audio visual education service (county contract)

Library

Other Expense

Total Instruction

XXXXXXXX

3-AUXILIARY SERVICES

Salaries and Wages

Other expense

Total

4-OPERATION OF SCHOOL PLANT

Salaries and Wages

Other Expense

Total

5-MAINTENANCE OF SCHOOL PLANT

Salaries and Wages

Other Expense

Total

6-FIXED CHARGES

(1) District Contribution to Employees Retirement under State Employees Retirement System (Gov. Code Section 20532—see Special Instruction 1, page 3)

(2) Rental of property of component districts (Ed. Code Sections 4963-4963.3—see Special Instruction 1, page 3)

(3) All other Fixed Charges

Total

7-TRANSPORTATION OF PUPILS

Salaries and Wages

Other Expense

Total

Total Current Expense of Education (applicable to unit expense calculations) (forward to page 6)

The budget of the Personnel Commission of the Merit System in the total amount of \$ is

included in 1-Administration, \$, and 10-Capital Outlay, \$ (Education Code Section 14110).

This district a member of the County Library System.
(Enter "is" or "is not")

SEE SPECIAL INSTRUCTIONS ON REVERSE OF PAGE 4

10 SEP 1963 14-1 02L 20203

BUDGET

..... District of County, California

PART ONE—GENERAL FUND—Concluded

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
IV. EXPENDITURES AND TRANSFERS (concluded) ¹		
Total Current Expense of Education (brought forward from page 5) → ←
8-FOOD SERVICE		
(1) Meals for Needy Pupils (Class 8b, See Special Instruction No. 1, page 3)
(2) Other Food Service
Salaries and Wages
Other Expense	XXXXXXX	.....
Total → ←
9-COMMUNITY SERVICES		
(1) Required or authorized under Chap. 9 of Div. 9 (Civic Center) or Chap. 4 of Div. 12 (Recreation) of the Education Code (See Special Instruction No. 1, page 3)		
Salaries and Wages
Other Expense
(2) Other Community Services → ←
Total → ←
10-CAPITAL OUTLAY		
a.-LAND
b.-IMPROVEMENT OF GROUNDS
c.-BUILDINGS
d.-EQUIPMENT
Total → ←
ANNUAL REPAYMENT ON ACCOUNT OF PUBLIC SCHOOL BUILDING APPORTIONMENT ²		
Interest on Loan
Principal payment
Total → ←
T-TRANSFERS (not classified as expenditures)		
(1) Tuition for interdistrict kindergarten attendance (Ed. Code Sections 1503.4 and 6357.1). (See Spec. Instr. 1, page 3)
(2) Other Tuition Transfers
(3) All Other Transfers ⁴
Total Transfers → ←
UNDISTRIBUTED RESERVE ⁵	XXXXXXX ←
Total Expenditures and Transfers
V. ENDING BALANCE, JUNE 30		
Cash in County Treasury
Cash in.....Bank (School Farm Account only)
Revolving Cash Fund
Cash Collections awaiting deposit
Investments in U. S. Bonds (at cost)
Accounts Receivable (included in II. Income)
Stores
Prepaid Expenses
GENERAL RESERVE JUNE 30, 1953, for 1953-54 ⁶	XXXXXXX	.....
Total Current Assets
Less: Current Liabilities (included in IV. Expenditures)	XXXXXXX
Net Ending Balance
VI. TOTAL, EXPENDITURES AND TRANFERS PLUS NET ENDING BALANCE		
(IV plus V; must equal III)

SEE SPECIAL INSTRUCTIONS ON REVERSE OF PAGE 5

BUDGET

..... District of County, California

PART TWO—BOND INTEREST AND REDEMPTION FUND
(Named as Bond Interest and Sinking Fund in Education Code Section 7517.)
(Education Code Sections 7407, 7436, 7464, 7465, 7516, 7517 and 7531)

Part Two may be prepared by the County auditor;
otherwise secure all data from him

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
I. BEGINNING BALANCE, JULY 1 . . . . .	.....	.....
II. INCOME		
Premiums and Accrued Interest . . . . .	.....	.....
Miscellaneous Income . . . . .	.....	.....
District Taxes on Unsecured Roll . . . . .	.....	.....
Prior Years' District Taxes . . . . .	.....	.....
Current District Taxes on Secured Roll		
Amount Received 1951-52 . . . . .	.....	XXXXXXXXXX
AMOUNT REQUIRED TO BALANCE BUDGET 1952-53 ²	XXXXXXXXXX	.....
Total . . . . .	.....	.....
III. TOTAL, BEGINNING BALANCE PLUS INCOME.	=====	=====
IV. EXPENDITURES AND TRANSFERS		
6c.-Bond Interest . . . . .	.....	.....
B-Bond Redemption . . . . .	.....	.....
T-Transfers to General Fund (Ed. Code Section 7465) . . . . .	.....	.....
Total Expenditures and Transfers . . . . .	.....	.....
V. ENDING BALANCE, JUNE 30 . . . . .	.....	.....
VI. TOTAL, EXPENDITURES AND TRANSFERS PLUS ENDING BALANCE	=====	=====

SPECIAL INSTRUCTIONS

1. As in Part One-GENERAL FUND:

a. III. must equal VI.
b. I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).
c. Part two may be on the cash basis or on the accrual basis in accordance with the accounting procedure chosen by the county auditor of each county for these funds.

See, also, Special Instruction No.1 for page 5 in regard to Appropriation Control and Accounting.
2. Enter in tax Summary, page 2.
3. A separate page 7 may be employed, if desired, for each of the several bond issues for which there remains any indebtedness at the beginning of the budget fiscal year, identifying each such budget page 7 with a letter or decimal number, in addition to other identification such as the name of a component district. In such cases, a summary page 7 shall also be employed.

BUDGET

..... District of County, California

PART THREE—BUILDING FUND'
(Education Code Section 7401 and following, 18860)

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
I. BEGINNING BALANCE, JULY 1		
Cash in County Treasury
.....
.....
Total
Less: Current Liabilities
Net
II. INCOME		
Federal Subventions
State Aid ²
Sale of bonds (Ed. Code Section 7436)
Sale of Real Property ⁴ (Ed. Code Section 18603)
Other Income
Total
III. TOTAL NET BEGINNING BALANCE PLUS TOTAL INCOME		
IV. EXPENDITURES AND TRANSFERS		
5-MAINTENANCE OF SCHOOL PLANT ⁵		
Salaries and Wages
Other Expense
Total
6-FIXED CHARGES		
Employer's contribution to retirement fund
10-CAPITAL OUTLAY		
a.-LAND
b.-IMPROVEMENT OF GROUNDS
c.-BUILDINGS
d.-EQUIPMENT
Total
T-TRANSFERS		
Total Expenditures and Transfers
V. ENDING BALANCE, JUNE 30		
Cash in County Treasury
.....
.....
Total
Less: Current Liabilities
Net
VI. TOTAL, EXPENDITURES AND TRANSFERS PLUS NET ENDING BALANCE		

SPECIAL INSTRUCTIONS

1. As in Part One-GENERAL FUND:

a. III. must equal VI.

b. I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).

c. II. INCOME should be on the partial accrual basis. (See Form No. J-43-A.)

d. IV. EXPENDITURES should be on the accrual basis. (See Form No. J-43.)

See, also, Special Instruction No. 1 for page 5 in regard to Appropriation Control and Accounting.

2. Insert on the blank lines provided on these special fund pages certain accounts, as appropriate, such as Revolving Cash Fund, Cash Collections awaiting deposit, Investments in U. S. Bonds, etc.

3. Include only state aid for Building Fund purposes, exclusive of amounts required to be deposited in another special fund, such as Emergency School Building Fund, or Public School Building Fund.

4. Funds derived from the sale of real property (Education Code Section 18603) should be deposited in the Building Fund or if deposited in the General Fund must be budgeted for capital outlay in accordance with Education Code Section 18603.

5. Include under class 5-Maintenance of School Plant only such amounts as are authorized by law and by the call for the bond election.

BUDGET

..... District of County, California

PART FOUR—SPECIAL ACCUMULATIVE BUILDING FUND'
(Education Code Sections 5961 to 5968)

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
I. BEGINNING BALANCE, JULY 1		
Cash in County Treasury . . . . .	.....	.....
..... ² . . . . .	.....	.....
.....
Total . . . . .	.....	.....
Less: Current Liabilities . . . . .	.....	.....
Net . . . . .	.....	.....
II. INCOME		
Transfers ³ . . . . .	.....	.....
Current District Taxes on Secured Roll ⁴		
Amount Received 1951-52 . . . . .	.....	XXXXXXXXXX
AMOUNT REQUIRED TO BALANCE BUDGET 1952-53 ⁵	XXXXXXXXXX	.....
Other Income . . . . .	.....	.....
Total . . . . .	.....	.....
III. TOTAL NET BEGINNING BALANCE PLUS TOTAL INCOME	=====	=====
IV. EXPENDITURES AND TRANSFERS		
10-CAPITAL OUTLAY		
a.-LAND . . . . .	.....	.....
b.-IMPROVEMENT OF GROUNDS . . . . .	.....	.....
c.-BUILDINGS . . . . .	.....	.....
d.-EQUIPMENT . . . . .	.....	.....
Total . . . . .	.....	.....
T-TRANSFERS ⁶ . . . . .	.....	.....
Total Expenditures and Transfers . . . . .	.....	.....
V. ENDING BALANCE, JUNE 30		
Cash in County Treasury . . . . .	.....	.....
..... ⁷ . . . . .	.....	.....
.....
Total . . . . .	.....	.....
Less: Current Liabilities . . . . .	.....	.....
Net . . . . .	.....	.....
VI. TOTAL, EXPENDITURES AND TRANSFERS PLUS NET ENDING BALANCE	=====	=====

SPECIAL INSTRUCTIONS

1. As in Part One-GENERAL FUND:

a. III. must equal VI.

b. I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).

c. II. INCOME should be on the partial accrual basis. (See Form No. J-43-A.)

d. IV. EXPENDITURES should be on the accrual basis. (See Form No. J-43.)

See, also, Special Instruction No. 1 for page 5 in regard to Appropriation Control and Accounting.

2. Insert on the blank lines provided on these special fund pages certain accounts, as appropriate, such as Revolving Cash Fund, Cash Collections awaiting deposit, Investments in U. S. Bonds, etc.

3. Include as INCOME Transfers only "funds not required for other than capital outlay" budgeted for outgoing transfer to this fund from the General Fund.

4. The amounts shown as current district taxes shall be determined from the affidavit which establishes the Special Accumulative Building Fund.

5. Enter in tax Summary, page 2. (This amount is subject to the tax rate limits of the Education code.)

6. Include as outgoing transfers only the remainder "after all expenditures have been made", also budgeted as INCOMING transfer of the General Fund.

BUDGET

..... District of County, California

PART FIVE—EMERGENCY SCHOOL BUILDING FUND¹
(Education Code Section 5029)

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
I. BEGINNING BALANCE, JULY 1		
Cash in County Treasury ²		

Total		
Less: Current Liabilities		
Net		
II. INCOME		
State Allocations ³		
Other Income		
Total		
III. TOTAL, NET BEGINNING BALANCE PLUS TOTAL INCOME		
IV. EXPENDITURES AND TRANSFERS		
5-MAINTENANCE OF SCHOOL PLANT ⁴		
Salaries and Wages		
Other Expense		
Total		
6-FIXED CHARGES		
Employer's contribution to retirement fund		
10-CAPITAL OUTLAY		
a.-LAND		
b.-IMPROVEMENT OF GROUNDS		
c.-BUILDINGS		
d.-EQUIPMENT		
Total		
T-TRANSFERS		
Total Expenditures and Transfers		
V. ENDING BALANCE, JUNE 30		
Cash in County Treasury ²		

Total		
Less: Current Liabilities		
Net		
VI. TOTAL, EXPENDITURES AND TRANSFERS PLUS NET ENDING		

SPECIAL INSTRUCTIONS

1. As in Part One-GENERAL FUND:

a. III. must equal VI.

b. I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).

c. II. INCOME should be on the partial accrual basis. (See Form No. J-43-A.)

d. IV. EXPENDITURES should be on the accrual basis. (See Form No. J-43.)

See, also, Special Instruction No. 1 for page 5 in regard to Appropriation Control and Accounting.
2. Insert on the blank lines provided on these special fund pages certain accounts, as appropriate, such as Revolving Cash Fund, Cash Collections awaiting deposit, Investments in U. S. Bonds, etc.
3. See Education Code Sections 5021 to 5034.1, inclusive, and orders, prescriptions and rules issued by the State Allocation Board, or other competent authority, regarding establishment, encumbering, expenditure, period of availability, reversion of certain balances, and auditing of Emergency School Building Funds.
4. Include only authorized "repair".

PART SIX—PUBLIC SCHOOL BUILDING FUND¹

(Education Code Section 5066)

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
I. BEGINNING BALANCE, JULY 1		
Cash in County Treasury		
Total		
Less: Current Liabilities		
Net		
II. INCOME		
State Apportionments ²		
Other Income		
Total		
III. TOTAL, NET BEGINNING BALANCE PLUS TOTAL INCOME		
IV. EXPENDITURES		
5-MAINTENANCE OF SCHOOL PLANT⁴		
Salaries and Wages		
Other Expense		
Total		
6-FIXED CHARGES		
Employer's contribution to retirement fund		
10-CAPITAL OUTLAY		
a.-LAND		
b.-IMPROVEMENT OF GROUNDS		
c.-BUILDINGS		
d.-EQUIPMENT		
Total		
TOTAL EXPENDITURES		
V. ENDING BALANCE, JUNE 30		
Cash in County Treasury		
Total		
Less: Current Liabilities		
Net		
VI. TOTAL, EXPENDITURES PLUS NET ENDING BALANCE .		

SPECIAL INSTRUCTIONS

- As in Part One-GENERAL FUND:
 - III. must equal VI.
 - I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).
 - II. INCOME should be on the partial accrual basis. (See Form No. J-43-A.)
 - IV. EXPENDITURES should be on the accrual basis. (See Form No. J-43.)See, also, Special Instruction No. 1 for page 5 in regard to Appropriation Control and Accounting.
- Insert on the blank lines provided on these special fund pages certain accounts, as appropriate, such as Revolving Cash Fund, Cash Collections awaiting deposit, Investments in U. S. Bonds, etc.
- See Constitution, Article XVI, Section 15, and Education Code Sections 5041 to 5088, inclusive, and orders, prescriptions and rules issued by the State Allocation Board, or other competent authority, regarding establishment, encumbering, expenditure, period of availability, reversion of certain balances, annual repayment, if any, effected by deduction by the State Controller from each installment of the apportionments made from the State School Fund, and auditing of Public School Building Funds.
- Include only authorized "repair".

PART SEVEN—CAFETERIA¹

(Education Code Sections 19301 to 19313)

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
I. BEGINNING BALANCE, JULY 1		
Cash in		
"Operating" cash		
"Reserve" cash		
Cash Collections awaiting deposit		
Accounts Receivable		
Stores and Prepaid Expense		
Total		
Less: Current Liabilities		
Accumulative Cafeteria Equipment Replacement Reserve ⁴		
Net		
II. INCOME		
Federal (Cash Reimbursement) Subventions ⁵		
Cafeteria Sales		
Other Income		
Total		
III. TOTAL, NET BEGINNING BALANCE PLUS TOTAL INCOME		
IV. EXPENDITURES		
6-FIXED CHARGES		
8-FOOD SERVICE ⁶		
8a-REGULAR MEALS		
Salaries		
Food		
Operating supplies and expenses		
Repairs and Replacement and/or Depreciation		
8c-OTHER FOOD SERVICE		
Total		
TOTAL CURRENT EXPENSE		
V. ENDING BALANCE		
Cash in		
"Operating" cash		
"Reserve" cash		
Cash Collections awaiting deposit		
Accounts Receivable		
Stores and Prepaid Expense		
Total		
Less: Current Liabilities		
Accumulative Cafeteria Equipment Replacement Reserve ⁴		
Net		
VI. TOTAL, EXPENDITURES PLUS NET ENDING BALANCE		

SPECIAL INSTRUCTIONS

- As in Part One-GENERAL FUND:
 - III. must equal VI.
 - I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).
 - II. INCOME should be on the partial accrual basis. (See Form No. J-43-A.)
 - IV. EXPENDITURES should be on the accrual basis. (See Form No. J-43.)See, also, Special Instruction No. 1 for page 5 in regard to Appropriation Control and Accounting.
- Insert: "Fund" if handled through county treasury, or "Account" if handled through one or more banks. All money received for the sale of food or for any service performed by the cafeterias should be deposited in the county treasury in the Cafeteria Fund. As an alternative, the Governing Board may establish an account for each cafeteria or for all cafeterias in one or more banks under authority of Education Code Sections 19307, and following, subject to all requirements therein, such as the designation of a responsible employee, annual audit, etc.
- Enter "County treasury" or Bank(s), or name of bank.
- Districts which employ the Accumulative Cafeteria Equipment Replacement Reserve should maintain a separate cash account within the Cafeteria Fund designated as Reserve Cash. Equipment purchases should be credited to the Reserve Cash account and charged to the Accumulative Cafeteria Equipment Replacement Reserve Account. The debit balance in the Reserve Cash account should always equal the credit balance in the Accumulative Cafeteria Equipment Replacement Reserve Account. Districts which do not employ the Accumulative Cafeteria Equipment Replacement Reserve should omit any entries in the account for Reserve Cash and in such case the line for operating Cash shall be considered to be the usual Cash in County Treasury for a Cafeteria Fund or Cash in _____ Bank in the case of a Cafeteria Account.
- Enter here the cash reimbursement amounts received through the School Lunch Program of the State Department of Education if participating in the National School Lunch Program. (Exclude the value of donated foods distributed through the State Education Agency for Surplus Property.) Such cash receipts shall be deposited in the Cafeteria Fund, or Cafeteria Account, as provided in Education Code Sections 19305 and 19307 and not in the General Fund or any other special fund of the district.
- Specific current expenses of the cafeteria program made a charge against the General Fund by action of the governing board under the authority of law shall be shown under 8-Food Service in Part One, General Fund, of this budget. Similarly, expenditures for housing and equipping cafeterias shall be shown under 10-Capital Outlay in Part One, General Fund, or under 10-Capital Outlay in one of the other Parts, for a fund available for Capital Outlay. The expenditures of the several types shall be paid by warrants drawn on the General Fund or Cafeteria Fund, or other fund, as appropriate, or by checks drawn on the Cafeteria Account or Accounts. Transfers of cash between these funds are not authorized. The expense of class 8b-Free Meals shall be an expense of the General Fund under Education Code Section 16420 ("excess tax") or Section 16421 (without "excess tax") unless financed by the County Welfare Department, Parent-Teachers Association, Mothers' Club, or other organizations by the deposit of such cash receipts in the Cafeteria Fund, or Account, as Other Income. School districts may maintain an expenditure account for class 8b-Free Meals as a part of the accounting for the Cafeteria Fund or Cafeteria Account for convenience in the determination of the amount of this expense. In such case the General Fund should reimburse the Cafeteria Fund or Account by warrants for the exact amount of such expense, supported by an invoice showing the number and computed unit price of such free meals. Such warrants should be deposited in the Cafeteria Fund or Account and treated as an abatement of expense under class 8b-, leaving no net expense in this class in the Cafeteria Fund or Account at the close of the fiscal year.

BUDGET

District of _____ County, California

PART EIGHT—CHILD CARE CENTER FUND¹
(Education Code Sections 19601 to 19619)

	COL. 1 1951-52 ACTUAL, OR ESTIMATED	COL. 2 1952-53 BUDGET
I. BEGINNING BALANCE, JULY 1		
Cash in County Treasury	_____	_____
Cash Collections awaiting deposit	_____	_____
Accounts Receivable	_____	_____
Total	_____	_____
Less: Current Liabilities	_____	_____
Net ²	_____	_____
II. INCOME		
Federal Subventions	_____	_____
State apportionments (for Child Care Centers)	_____	_____
Current District Taxes on Secured Roll		
Amount Received 1951-52	_____	XXXXXXXXXX
AMOUNT REQUIRED TO BALANCE BUDGET ³	XXXXXXXXXX	_____
Fees	_____	_____
Other Income	_____	_____
Total	_____	_____
III. TOTAL, NET BEGINNING BALANCE PLUS TOTAL INCOME	_____	_____
IV. EXPENDITURES		
6-FIXED CHARGES	_____	_____
9-COMMUNITY SERVICES		
9c-CHILD CARE CENTERS		
Centralized direction of all centers in district		
Salaries	_____	_____
Other Expense	_____	_____
Operation of Centers		
Salaries of supervisors of children	_____	_____
Salaries of matrons and custodians	_____	_____
Salaries of cooks	_____	_____
Salaries of nurses	_____	_____
Supplies for children	_____	_____
Food	_____	_____
Utility Service and Fuel	_____	_____
Other Expense of Operation of Physical Property	_____	_____
Maintenance of Physical Property	_____	_____
Other Expense	_____	_____
Total	_____	_____
TOTAL CURRENT EXPENSE	_____	_____
10-CAPITAL OUTLAY		
b-IMPROVEMENT OF GROUNDS	_____	_____
c-BUILDINGS (ADDITIONS AND IMPROVEMENTS)	_____	_____
d-EQUIPMENT	_____	_____
Total	_____	_____
TOTAL EXPENDITURES	_____	_____
V. ENDING BALANCE, JUNE 30		
Cash in County Treasury	_____	_____
Cash Collections awaiting deposit	_____	_____
Accounts Receivable	_____	_____
Total	_____	_____
Less: Current Liabilities	_____	_____
Net	_____	_____
VI. TOTAL, EXPENDITURES PLUS NET ENDING BALANCE	_____	_____

SPECIAL INSTRUCTIONS

1. As in Part One-GENERAL FUND:

a. III. must equal VI.
b. I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).
c. II. EXPENDITURES should be on the partial accrual basis. (See Form No. J-43-A.)
d. IV. INCOME should be on the accrual basis. (See Form No. J-43.)

See, also, Special Instruction No.1 for page 5 in regard to Appropriation Control and Accounting.
2. Include as Accounts Receivable the additional amount to be received from the State of California or as Current Liabilities the amount to be refunded to the State of California at the close of the fiscal year. These amounts shall be the additional amounts necessary, or the refunds, respectively, so that the amount added to or subtracted from the state apportionments actually received during and for the fiscal year, with other available (local) funds, will produce a total income equal to approved expenditures for the fiscal year. The contra entry in each case shall be to Income from State Apportionments, adding or subtracting respectively. Child Care Centers are financed on a deficit budget basis and in most instances Beginning and Ending Balances should be "None".
3. Enter in tax Summary, page 2.

BUDGET

..... District of County, California

PART NINE—.....SPECIAL FUND¹

(Established under Education Code Section.....)

In the space below, enter 1951-52 Actual, or Estimated, and 1952-53 Budget data pertaining to any other special funds, if authorized by law, and named exactly as provided by law, of the school district, including: Retirement Tax Fund (Education Code Sections 14734 and following).

The pattern used in the preceding parts shall be used, as appropriate, for any Funds in this part.

COL. 1	COL. 2
1951-52	1952-53
ACTUAL, OR	BUDGET
ESTIMATED	

I. BEGINNING BALANCE, JULY 1

II. INCOME

III. TOTAL, NET BEGINNING BALANCE PLUS TOTAL INCOME

IV. EXPENDITURES

V. ENDING BALANCE, JUNE 30

VI. TOTAL, EXPENDITURES PLUS NET ENDING BALANCE . . .

SPECIAL INSTRUCTIONS

- 1. As in Part One-GENERAL FUND:
 - a. III. must equal VI.
 - b. I. BEGINNING BALANCE (column 2) should be the same as V. ENDING BALANCE (column 1).
 - c. II. INCOME should be on the partial accrual basis. (See Form No. J-43-A.)
 - d. IV. EXPENDITURES should be on the accrual basis. (See Form No. J-43.)
- See, also, Special Instruction No. 1 for page 5 in regard to Appropriation Control and Accounting.
- 2. Do not use this Part Nine for the district contribution to employees' retirement under State Employees' Retirement System.